

**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 **December 30, 2023**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-06024

**WOLVERINE WORLD WIDE, INC.**

(Exact name of registrant as specified in its charter)

<b>Delaware</b> <small>State or other jurisdiction of incorporation or organization</small>	<b>38-1185150</b> <small>(I.R.S. Employer Identification No.)</small>
<b>9341 Courtland Drive N.E.</b> <b>Rockford , Michigan</b> <small>(Address of principal executive offices)</small>	<b>49351</b> <small>(Zip Code)</small>

Registrant's telephone number, including area code **(616) 866-5500**

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$1 Par Value	WWW	New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act: **None**

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 pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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 the registrant’s voting stock held by non-affiliates of the registrant based on the closing price on the New York Stock Exchange on June 30, 2023, the last business day of the registrant’s most recently completed second fiscal quarter: \$1,145,305,700. Number of shares outstanding of the registrant’s Common Stock, \$1 par value as of February 9, 2024: 79,745,927.

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the definitive proxy statement for the registrant’s annual stockholders’ meeting expected to be held May 2, 2024 are incorporated by reference into Part III of this report.

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## FORWARD-LOOKING STATEMENTS

This document contains “forward-looking statements,” which are statements relating to future, not past, events. In this context, forward-looking statements often address management’s current beliefs, assumptions, expectations, estimates and projections about future business and financial performance, national, regional or global political, economic and market conditions, and the Company itself. Such statements often contain words such as “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “intends,” “is likely,” “plans,” “predicts,” “projects,” “should,” “will,” variations of such words, and similar expressions. Forward-looking statements, by their nature, address matters that are, to varying degrees, uncertain. Uncertainties that could cause the Company’s performance to differ materially from what is expressed in forward-looking statements include, but are not limited to, the following:

- changes in general economic conditions, employment rates, business conditions, interest rates, tax policies and other factors affecting consumer spending in the markets and regions in which the Company’s products are sold;
- the inability for any reason to effectively compete in global footwear, apparel and direct-to-consumer markets;
- the inability to maintain positive brand images and anticipate, understand and respond to changing footwear and apparel trends and consumer preferences;
- the inability to effectively manage inventory levels;
- increases or changes in duties, tariffs, quotas or applicable assessments in countries of import and export;
- foreign currency exchange rate fluctuations;
- currency restrictions;
- supply chain and capacity constraints, production disruptions, including reduction in operating hours, labor shortages, and facility closures resulting in production delays at the Company’s manufacturers, quality issues, price increases or other risks associated with foreign sourcing;
- the cost, including the effect of inflationary pressures and availability of raw materials, inventories, services and labor for contract manufacturers;
- labor disruptions;
- changes in relationships with, including the loss of, significant wholesale customers;
- risks related to the significant investment in, and performance of, the Company’s direct-to-consumer operations;
- risks related to expansion into new markets and complementary product categories as well as direct-to-consumer operations;
- the impact of seasonality and unpredictable weather conditions;
- the impact of changes in general economic conditions and/or the credit markets on the Company’s manufacturers, distributors, suppliers, joint venture partners and wholesale customers;
- changes in the Company’s effective tax rates;
- failure of licensees or distributors to meet planned annual sales goals or to make timely payments to the Company;
- the risks of doing business in developing countries and politically or economically volatile areas;
- the ability to secure and protect owned intellectual property or use licensed intellectual property;
- the impact of regulation, regulatory and legal proceedings and legal compliance risks, including compliance with federal, state and local laws and regulations relating to the protection of the environment, environmental remediation and other related costs, and litigation or other legal proceedings relating to the protection of the environment or environmental effects on human health;
- risks of breach of the Company’s databases or other systems, or those of its vendors, which contain certain personal information, payment card data or proprietary information, due to cyberattack or other similar events;
- problems affecting the Company’s supply chain and distribution system, including service interruptions at shipping and receiving ports;
- strategic actions, including new initiatives and ventures, acquisitions and dispositions, and the Company’s success in integrating acquired businesses, including *Sweaty Betty*<sup>®</sup>, and implementing new initiatives and ventures;
- risks related to stockholder activism;
- the potential effects of outbreaks of COVID-19 or future health crises on the Company’s business, operations, financial results and liquidity;
- the risk of impairment to goodwill and other intangibles;
- the success of the Company’s restructuring and realignment initiatives undertaken from time to time; and
- changes in future pension funding requirements and pension expenses.

These or other uncertainties could cause a material difference between an actual outcome and a forward-looking statement. The uncertainties included here are not exhaustive and are described in more detail in Part I, Item 1A: “Risk Factors” of this Annual Report on Form 10-K. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. The Company does not undertake an obligation to update, amend or clarify forward-looking statements, whether as a result of new information, future events or otherwise. Any standards of measurement and performance made in reference to our environmental, social, governance and other sustainability plans and goals are developing and based on assumptions, and no assurance can be given that any such plan, initiative, projection, goal, commitment, expectation or prospect can or will be achieved.

## PART I

### Item 1. Business

#### General

Wolverine World Wide, Inc. (the “Company”) is a leading designer, marketer and licensor of a broad range of quality casual footwear and apparel, performance outdoor and athletic footwear and apparel, kids' footwear, industrial work boots and apparel, and uniform shoes and boots. The Company's products are marketed worldwide in approximately 170 countries and territories through owned operations in the United States ("U.S."), Canada, the United Kingdom ("U.K.") and certain countries in continental Europe and Asia Pacific. In other regions (Latin America, portions of Europe and Asia Pacific, the Middle East and Africa), the Company relies on a network of third-party distributors, licensees and joint ventures.

Today, the Company sources and markets a broad range of footwear and apparel styles, including shoes, boots and sandals under many recognizable brand names, including *Bates*®, *Cat*®, *Chaco*®, *Harley-Davidson*®, *Hush Puppies*®, *HYTEST*®, *Merrell*®, *Saucony*®, *Sweaty Betty*® and *Wolverine*®. The Company licenses its *Stride Rite*® brand under a global license arrangement. The Company also markets *Merrell*® and *Wolverine*® brand apparel and accessories and licenses some of its brands for use on non-footwear products, including *Hush Puppies*® apparel, eyewear, watches, socks, handbags and plush toys; *Wolverine*® eyewear and gloves; and *Saucony*® apparel. *Cat*® is a registered trademark of Caterpillar Inc. and *Harley-Davidson*® is a registered trademark of H-D U.S.A., LLC.

The Company's products generally feature contemporary styling with proprietary technologies designed to provide maximum comfort and performance. The Company believes that its primary competitive advantages are its well-recognized brand names, patented proprietary designs, diverse product offerings and comfort technologies, wide range of distribution channels and diversified manufacturing and sourcing base. The Company combines quality materials and skilled workmanship to produce footwear according to its specifications at both Company-owned and third-party manufacturing facilities. The Company's products are sold at various price points targeting a wide range of consumers of casual, work, outdoor and athletic footwear and apparel.

The Company's portfolio of brands are organized into the following reportable segments.

- **Active Group**, consisting of *Merrell*® footwear and apparel, *Saucony*® footwear and apparel, *Sweaty Betty*® activewear, and *Chaco*® footwear;
- **Work Group**, consisting of *Wolverine*® footwear and apparel, *Cat*® footwear, *Bates*® uniform footwear, *Harley-Davidson*® footwear and *HYTEST*® safety footwear;

Kids' footwear offerings from *Saucony*®, *Sperry*®, *Keds*®, *Merrell*®, *Hush Puppies*® and *Cat*® are included with the applicable brand.

The Company also reports “Other” and “Corporate” categories. The Other category consists of *Sperry*® footwear, *Keds*® footwear, *Hush Puppies*® footwear and apparel, the Company's leather marketing operations, sourcing operations that include third-party commission revenues, multi-branded direct-to-consumer retail stores and the *Stride Rite*® licensed business. The Corporate category consists of gains on the sale of businesses and trademarks, unallocated corporate expenses, such as corporate employee costs, corporate facility costs, reorganization activities, impairment of long-lived assets and environmental and other related costs.

The reportable segments are engaged in designing, manufacturing, sourcing, marketing, licensing and distributing branded footwear, apparel and accessories. Revenue for the reportable segments includes revenue from the sale of branded footwear, apparel and accessories to third-party customers; revenue from third-party distributors, licensees and joint ventures; and revenue from the Company's direct-to-consumer businesses. The Company's reportable segments are determined based on how the Company internally reports and evaluates financial information used to make operating decisions.

The Company's reportable segments and related brands are described in more detail below.

#### 1. **Active Group**

**Merrell®:** *Merrell*® believes in sharing the simple power of being outside – no matter who you are, where you come from, who you love, or how you move. With a persistent focus on innovation, thoughtful design and rigorous testing, *Merrell*® has become a global leader in hiking footwear, with a rapidly growing following in trail running and lifestyle. All of this is fueled by a desire to build a world where everyone can safely enjoy the benefits of being outdoors. *Merrell*® can be found across the globe, on *Merrell.com*, in key outdoor and sporting goods retail stores and in Company owned *Merrell*® stores.

**Saucony®:** *Saucony®* is a leading purpose-driven performance running lifestyle brand with roots dating back to 1898. *Saucony®* targets both elite and casual runners through award-winning design, innovation and performance technology. The brand is focused on meeting the functional biomechanical needs of runners while delivering on their emotional style needs as well. Widely recognized for award-winning technologies, *Saucony®* innovations include PWRRUN™ PB, a beaded superfoam that delivers high-performance energy return; PWRRUN+™ a cushioning foam for a plush ride; SPEEDROLL™ Technology, a blend of premium foam and forward geometry to promote a faster transition; and PWRTRAC™, a trail-specific outsole rubber. *Saucony®* offers five categories of performance footwear products; Competition, Road, Trail, Train and Walking; as well as the Originals lifestyle footwear inspired by *Saucony®* products of the 1970's to 2000's. *Saucony®* also offers a complete line of performance running apparel and select lifestyle apparel pieces. Through *Saucony®* Run For Good brand platform and charitable foundation, *Saucony®* is strengthening connections with consumers and elevating the positioning of the brand. The brand's products are distributed primarily through leading run specialty and sporting goods retailers, as well as in Company-owned *Saucony®* retail stores and an eCommerce site.

**Sweaty Betty®:** *Sweaty Betty®* is a global women's activewear and lifestyle brand that has been on a mission to empower women through fitness and beyond since 1998. Famous for its "bum-sculpting" leggings and innovative designs, *Sweaty Betty®* fuses performance and style with technical, high-performance fabrics and responsibly sourced materials. The brand services its loyal, fast-growing community worldwide through SweatyBetty.com, complemented by retail locations across the United Kingdom, Europe and Asia and the world's best luxury retailers, including Selfridges, Harrods, Neiman Marcus and Nordstrom. Through the Sweaty Betty Foundation, the brand aims to give more girls access to activities they love, helping the next generation get and stay active for life.

**Chaco®:** For more than 30 years *Chaco®* has been creating premium footwear for outdoor adventure in and out of water. Originating as an innovation in the whitewater rafting world, *Chaco®* is the vibrant outdoor brand designing footwear for all walks of life and for a lifetime of adventure. *Chaco®* products are distributed primarily through specialty footwear retailers, the *Chaco®* eCommerce site, and other leading online and brick and mortar retailers.

## 2. **Work Group**

**Wolverine®:** For more than 135 years, *Wolverine®* has existed to support people who forge their own path: men and women who stop at nothing to build the future they want. *Wolverine®* designs and creates footwear, apparel and accessories made to outfit those working in the core trades across the world. The brand is known for its heritage, durability, and best-in-class performance comfort technology, as well as the *Wolverine®* 1000 Mile collection of premium lifestyle boots handcrafted in the USA from archival patterns. *Wolverine®* products can be found online at Wolverine.com and across a variety of retail channels including online retail, farm & fleet, work specialty, outdoor specialty, department stores and national family stores.

**Cat® Footwear:** *Cat® Footwear* is driven by the belief that generations of builders, makers and creators can turn challenge into enduring greatness. The Company is the exclusive global footwear licensee of Caterpillar Inc., and for over two decades, *Cat® Footwear* has been living up to the hardworking spirit of both the Caterpillar® trademark and the millions of consumers who trust the brand. *Cat® Footwear* originally created a small collection of rugged work boots designed to provide workers with the comfort and durability that met the challenges of the worksite. Today, *Cat® Footwear* offers a wide range of footwear, including work boots and casual shoes for men, women and children, sold through a global distribution network. CAT®, CATERPILLAR, their respective logos, "Caterpillar Corporate Yellow", as well as corporate product identity used herein, are registered trademarks of Caterpillar Inc.

**Bates®:** *Bates® Footwear* is a leading supplier of tactical and uniform footwear for first responders and U.S. Military members. Civilian uniform users include police officers, firefighters, security and emergency medical services workers, and others in light industrial occupations. *Bates®* products are distributed through sporting goods chains, department stores, uniform specialty retailers, catalog retailers and online retailers.

**Harley-Davidson® Footwear:** Pursuant to a license arrangement with the Harley-Davidson Motor Company, Inc., the Company has footwear marketing and distribution rights for *Harley-Davidson®* branded footwear. *Harley-Davidson®* branded footwear products include motorcycle, casual, fashion, work and western footwear for men, women and kids. *Harley-Davidson®* footwear is sold globally through a network of independent *Harley-Davidson®* dealerships and other retail outlets. *Harley-Davidson®* is a registered trademark of H-D U.S.A., LLC.

**HYTEST® Safety Footwear:** The *HYTEST®* product line consists of high-quality work boots and shoes that incorporate various specialty safety features designed to protect against hazards of the workplace, including steel toe, composite toe, nano toe, metatarsal guards, electrical hazard protection, static dissipating and conductive footwear. *HYTEST®* footwear is distributed primarily through a network of independently-owned *Shoemobile®* mobile truck

retail outlets providing direct sales of the Company's occupational and work footwear brands to workers at industrial facilities and also through direct sales arrangements with large industrial customers.

## Other Businesses

In addition to its reportable segments, the Company operates sourcing operations, a multi-brand direct-to-consumer business, the licensing of its *Stride Rite*® brand and *Hush Puppies*® brand. The Company's results included in Other also included *Sperry*®, which was sold in 2024, and *Keds*®, which was sold in 2023. The Company also operated a performance leathers business, which was sold in 2023.

**Sperry®:** *Sperry*® was founded in 1935 by avid sailor, inventor and intrepid explorer Paul Sperry. The brand is fully rooted in the history of American style and continues to craft the tools for life's memorable experiences on, off and by the water. From the invention of the world's first boat shoe, *Sperry*® is a market leader in both boat shoes and wet weather boots, and has expanded its business into casuals and sneakers. The brand is primarily distributed through Sperry.com and in Company owned *Sperry*® retail stores, as well as leading premium and better lifestyle retailers. Effective January 10, 2024 the Company sold the global *Sperry*® business to Authentic Brands Group LLC.

**Keds®:** For over 100 years, *Keds*® has been making timeless, comfortable, accessible footwear for consumers to step out into the world their way. Ever since the creation of the iconic *Keds*® Champion "sneaker" back in 1916, *Keds*® has held the belief that when we feel comfortable inside and out, we can leap forward and make our marks on the world. This belief continues to inspire and drive us every day. *Keds*® designs every product to support everyone—to give them the versatility, comfort, and style they need to confidently live as their truest selves. *Keds*® is focused on driving unique marketing and product stories through Keds.com and distributing footwear at leading footwear retailers worldwide. Effective February 4, 2023 the Company sold the global *Keds*® business to Designer Brands, Inc.

**Hush Puppies®:** Launched in 1958, *Hush Puppies*® has a history of bringing color and optimism to a boring, brown shoe category. Today, *Hush Puppies*® exists to inspire consumers to live life on the bright side. The Company believes that optimism is contagious and that by encouraging positivity it can help shape a better world. *Hush Puppies*® footwear is distributed through wholesale and licensed channels, and through eCommerce sites. In addition, the *Hush Puppies*® brand is licensed to third parties engaged in the manufacturing, marketing and distribution of apparel, handbags, eyewear, socks, watches and plush toys sold around the world. *Hush Puppies*®, with its basset hound icon, is one of the most well-known and loved brands worldwide. The Company signed a multi-year license agreement in 2023 to license the *Hush Puppies*® brand in the United States and Canada. The Company sold the rights to the *Hush Puppies*® trademarks, patents, copyrights and domains in China, Hong Kong and Macau to its current sublicensee, Beijing Jiaman Dress Co., Ltd. The transaction closed on September 14, 2023.

**Stride Rite® Licensed Business:** With a history dating back to 1919, *Stride Rite*® is an industry leader in kids' footwear. The Company signed a multi-year license agreement in 2017 to license the *Stride Rite*® brand.

**Wolverine Leathers Division:** The Wolverine Leathers Division markets pigskin leather for use primarily in the footwear industry. The Company believes pigskin leather offers superior performance and other advantages over cowhide leather. The Company's waterproof and stain resistant leathers are featured in some of the Company's footwear lines and also sold to external footwear brands. The Wolverine Leathers Division was sold in two separate transactions in 2023.

**Sourcing Division:** The sourcing division earns third-party commission revenue by providing consulting services related to product development, production control, quality assurance, materials procurement, compliance and other services.

**Multi-brand Direct-to-Consumer Division:** The multi-brand direct-to-consumer division includes retail stores that sell footwear and apparel from the Company's brand portfolio and other brands.

## Marketing

The Company's marketing strategy is to develop brand-specific plans and related promotional materials that drive consumer demand creation, fuel consumer obsession and foster a consistent message for each of the Company's brands across the globe. Marketing campaigns and strategies vary by brand and are generally designed to target consumers in order to increase awareness of, and affinity for, the Company's brands. The Company's marketing typically emphasizes compelling brand stories and brand recognition associated with new and existing products, the performance, comfort and quality features and styles of our products within each of the Company's brands, as well as raising global brand relevance and awareness. The Company's brand marketing has an omni-channel, always-on approach and includes various means of delivery across digital, print and

radio, including advertising through event sponsorship, social networking sites, event sponsorships, in-store activation and sales and technical assistance.

The Company operates branded eCommerce sites that the Company believes are effective tools for marketing and selling to consumers. The Company maintains an active presence on a variety of global social media platforms, and the Company's digital marketing seeks to create demand among new consumers as well as connecting consumers to brand content and products.

In addition to the Company's internal marketing efforts, each brand provides its third-party licensees and distributors with creative direction, brand images and other materials to convey globally consistent brand messaging. The Company believes its brand names represent a competitive advantage, and the Company, its licensees and its distributors make significant marketing investments to promote and enhance the market positions of its products and drive brand awareness.

### **Domestic Sales and Distribution**

The Company uses a variety of means to support sales to a variety of domestic distribution channels:

- The Company uses a dedicated sales force and customer service team, third party sales representatives and point-of-purchase materials to support domestic sales.
- The Company maintains core in-stock inventories to service department stores, national chains, specialty retailers, catalog retailers, independent retailers, uniform outlets and its own direct-to-consumer business.
- The Company uses volume direct programs to ship products to retail customers and to provide products at competitive prices to service major retail, catalog, mass merchant and government customers.
- The Company also operates brick and mortar retail stores and eCommerce sites.

### **International Operations and Global Licensing**

The Company's foreign-sourced revenue is generated from a combination of (i) sales of branded footwear and apparel through the Company's owned operations in Canada, the United Kingdom and certain countries in continental Europe and Asia-Pacific; (ii) revenue from third-party distributors for certain markets and businesses; (iii) revenue from a network of third-party licensees; and (iv) revenue and income from joint ventures that market the Company's branded products in Mexico and China. The Company's international owned operations are located in markets where the Company believes it can gain a strategic advantage by directly controlling the sale of its products into retail accounts. License and distribution arrangements enable the Company to generate sales in other markets without the capital commitment required to maintain related foreign operations, employees, inventories or localized marketing programs. The Company divested its ownership interests in the China joint venture entities effective January 1, 2024.

The Company continues to develop its international network of third-party licensees and distributors to market its branded products. The Company assists its licensees in designing products that are appropriate to each foreign market, yet consistent with global brand positioning. Pursuant to license or distribution agreements, third-party licensees and distributors either purchase goods directly from the Company and authorized third-party manufacturers or manufacture branded products themselves, consistent with Company standards. Distributors and licensees are responsible for independently marketing and distributing the Company's branded products in their respective territories, with product and marketing support from the Company.

### **Manufacturing and Sourcing**

The Company directly controls the majority of the units of footwear and apparel sourced under the Company's brand names. The Company's licensees directly control the balance. Substantially all of the units sourced by the Company are procured from numerous third-party manufacturers in the Asia Pacific region. The Company maintains offices in the Asia Pacific region to develop and facilitate sourcing strategies. The Company has established guidelines for each of its third-party manufacturers in order to monitor product quality, labor practices and financial viability. The Company has adopted "Engagement Criteria for Partners and Sources," a policy that requires the Company's domestic and foreign manufacturers, licensees and distributors to use ethical business standards, comply with all applicable health and safety laws and regulations, commit to use environmentally safe practices, treat employees fairly with respect to wages, benefits and working conditions and not use child or prison labor. The Company's third-party sourcing strategy allows the Company to (i) benefit from lower manufacturing costs and state-of-the-art manufacturing facilities; (ii) source high quality raw materials from around the world; and (iii) avoid capital expenditures necessary for additional owned factories. The Company believes that its overall global manufacturing strategy provides the flexibility to properly balance the need for timely shipments, high quality products and competitive pricing.



## **Trademarks, Licenses and Patents**

The Company holds a significant portfolio of registered and common law trademarks that identify its branded products and technologies. The Company's owned trademarks include *Hush Puppies*®, *Wolverine*®, *Bates*®, *Bounce*®, *Chaco*®, *HYTEST*®, *Merrell*®, *Saucony*®, *Stride Rite*®, *Sweaty Betty*®, and related logos and design marks. The Company has footwear marketing and distribution rights under the *Cat*® and *Harley-Davidson*® trademarks pursuant to license arrangements with the respective trademark owners. The *Cat*® license was recently renewed and the license term runs through December 31, 2028 and the *Harley-Davidson*® license term runs through December 31, 2024. Both licenses are subject to early termination for breach.

The Company believes that consumers identify its products by the Company's trademarks and that its trademarks are valuable assets. The Company has a policy of registering its primary trademarks and vigorously defending its trademarks against infringement or other threats whenever practicable. The Company also holds many design and utility patents, copyrights and various other proprietary rights. The Company protects its proprietary rights under applicable laws.

## **Seasonality**

The Company experiences moderate fluctuations in sales volume during the year, as reflected in quarterly revenue. The Company expects current seasonal sales patterns to continue in future years. The Company also experiences some fluctuation in its levels of working capital, typically reflecting an increase in net working capital requirements near the end of the first and third fiscal quarters as the Company builds inventory to support peak shipping periods. Historically, cash provided by operating activities is higher in the second half of the fiscal year due to collection of wholesale channel receivables and higher direct-to-consumer sales during the holiday season. The Company meets its working capital requirements through internal operating cash flows and, as needed, borrowings under its revolving credit facility, as discussed in more detail under the caption "Liquidity and Capital Resources" in Item 7: "Management's Discussion and Analysis of Financial Condition and Results of Operations". The Company's working capital could also be impacted by other events, including pandemics.

## **Competition**

The Company markets its footwear and apparel lines in a highly competitive and fragmented environment. The Company competes with numerous domestic and international footwear and apparel designers and marketers, some of whom are larger and have greater resources than the Company. Product performance and quality, including technological improvements, product identity, competitive pricing, ability to control costs and ability to adapt to style changes are all important elements of competition in the footwear and apparel markets served by the Company. The footwear and apparel industries are subject to changes in consumer preferences. The Company strives to maintain its competitive position through promotions designed to increase brand awareness, manufacturing and sourcing efficiencies, and the style, comfort and value of its products. Future sales by the Company will be affected by its continued ability to sell its products at competitive prices and to meet shifts in consumer preferences.

Because of the lack of reliable published statistics, the Company is unable to state with certainty its competitive position in the overall footwear and apparel industries. The non-athletic footwear and apparel markets are highly fragmented and no one company has a dominant market position.

## **Environmental Matters**

The Company uses and generates certain substances and wastes that are regulated or may be deemed hazardous to the environment under certain federal, state and local regulations. The Company works with foreign and domestic federal, state and local agencies from time to time to resolve cleanup issues at various affected sites and other regulatory issues. Financial information regarding the Company's environmental remediation activities is found in Note 17 to the Company's Consolidated Financial Statements.

## **Human Capital Resources**

*Employee Profile:* As of December 30, 2023, the Company had approximately 4,100 domestic and foreign production, office and sales employees. One of the Company's Core Values is "Our People Are the Difference," and the Company works to maximize the engagement and contribution of its current workforce and to attract the best talent available from outside the organization when needed.

*Talent Recruitment, Retention and Development:* The Company's talent strategy is focused on attracting top talent and developing, engaging, investing in and retaining top employees through a variety of retention and development efforts and world class corporate amenities. We strive to hire world class talent, while ensuring opportunities for growth and development for team members. Our engaging recruitment marketing website tells a compelling story of opportunity and inclusion, and highlights the Company culture. With a focus on modern recruitment systems and strategies we aim to provide a seamless transition for new employees. Development starts on day one with an enriching day one experience designed to help employees

start off on the right foot from the moment they begin their career with the Company. The Company strives to be one of the best places to work.

The Company seeks to maximize engagement and contribution of team members and the Company stays connected with team members across many experience touchpoints throughout the employee lifecycle, including regular pulse and check in surveys. Insights from these surveys are valuable to understanding employees' needs, which helps us develop strategies to maintain positive employee well-being. The Company's annual talent planning process provides invaluable data to help retain top talent through career planning and leadership continuity by using that data to identify and mitigate succession gaps through hiring and development.

The Company benchmarks its benefits regularly and keeps abreast of current and effective strategies in order to offer a comprehensive and competitive compensation and benefits package that is specific to the Company's employees' respective geographic region of employment including annual incentive programs, long-term incentive programs and health and wellness benefits, such as the corporate headquarters' on-site, state-of-the-art fitness center, child care, and doggie day care facilities for employees.

The Company believes that leaders should be developed at every stage of their career, from new managers to executives. We have a global leadership development program for all people leaders in which we partner with top educational institutions. This program focuses on sharpening participants' business leadership capabilities needed to grow the Company's business and people leadership capabilities needed to build, retain, and inspire top performing teams. As we continue to evolve and transform, the continued development of leaders is critical to our future success. To enhance employees career development, the Company offers a wide variety of virtual learning courses, instructor led classes, video libraries, and quick reference documents and provides tuition reimbursement to help employees achieve higher education goals.

*Diversity, Equity, and Inclusion:* Wolverine Worldwide is committed to creating a diverse and inclusive culture where everyone feels a sense of belonging and being valued, and to building a team that is representative of everywhere the Company's employees work, live, and do business. The Company started this journey in 2020, focusing on creating a framework, establishing relationships, and working with expert outside partners to lay a foundation on which to build.

The Company's newly established internal DE&I office plans to continue and amplify the progress made to date to advance the Company's diversity, equity and inclusion goals. The Company encourages individuals to support these goals, including through internal Employee Resource Groups that connect, celebrate, and support communities across the organization. The Company offers employees a comprehensive diversity, equity, and inclusion learning program which includes learning about inclusive teams, inclusive leadership, and inclusive selection.

*Health and Safety:* The health and safety of the Company's employees is one of its highest priorities. The Company has developed safety protocols to enhance the health and safety of all employees. The Environmental, Health, & Safety Council is composed of representatives from across the Company and coordinates health and safety matters on a real time basis.

#### **Available Information**

Information about the Company, including the Company's Code of Business Conduct, Corporate Governance Guidelines, Director Independence Standards, Accounting and Finance Code of Ethics, Audit Committee Charter, Compensation Committee Charter and Governance Committee Charter, is available at its website at [www.wolverineworldwide.com/investor-relations/corporate-governance](http://www.wolverineworldwide.com/investor-relations/corporate-governance). Printed copies of the documents listed above are available upon request, without charge, by writing to the Company at 9341 Courtland Drive, N.E., Rockford, Michigan 49351, Attention: General Counsel.

The Company also makes available on or through its website at [www.wolverineworldwide.com/investor-relations](http://www.wolverineworldwide.com/investor-relations), free of charge, the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and amendments to those reports (along with certain other Company filings with the Securities and Exchange Commission ("SEC")), as soon as reasonably practicable after electronically filing such material with, or furnishing it to, the SEC. These materials are also accessible on the SEC's website at [www.sec.gov](http://www.sec.gov).

#### **Item 1A. Risk Factors**

##### **Business and Operational Risks**

*The Company's operating results could be adversely affected if it is unable to maintain its brands' positive images with consumers or anticipate, understand and respond to changing footwear and apparel trends and consumer preferences.*

Consumer preferences and, as a result, the popularity of particular designs and categories of footwear and apparel, generally change over time. The Company's success depends in part on its ability to maintain its brands' positive images, and the ability to anticipate, understand and respond to changing footwear and apparel trends and consumer preferences in a timely manner.

The Company's efforts to maintain and improve its competitive position by monitoring and timely and appropriately responding to changes in consumer preferences, increasing brand awareness and enhancing the style, comfort and perceived value of its products may not be successful. If the Company is unable to maintain or enhance the images of its brands or if it is unable to timely and appropriately respond to new competition, changing consumer preferences and evolving footwear and apparel trends, consumers may consider its brands' images to be outdated and associate its brands with styles that are no longer popular, which would decrease demand for its products. Such failures could result in loss of market share, reduced sales, excess inventory, trade name impairments, lower gross margin and other adverse impacts on the Company's operating results.

*Significant capacity constraints, production disruptions, inventory management, quality issues, price increases and other risks associated with foreign sourcing could increase the Company's operating costs and adversely impact the Company's business and reputation.*

The Company currently sources a substantial majority of its products from third-party manufacturers in foreign countries, predominantly in the Asia Pacific region. As is common in the footwear and apparel industry, the Company does not have long-term contracts with its third-party manufacturers. The Company may experience difficulties with such manufacturers, including reductions in the availability of production capacity, failures to meet production deadlines, inventory management, failure to make products that meet applicable quality standards, or increases in labor and other manufacturing costs. The Company's future results depend partly on its ability to maintain its relationships with third-party manufacturers.

Foreign manufacturing is subject to a number of risks, including work stoppages, transportation delays and interruptions, political instability, foreign currency exchange rate fluctuations, changing economic conditions, expropriation, nationalization, the imposition of tariffs, import and export controls and other non-tariff barriers and changes in governmental policies. Various factors could significantly interfere with the Company's ability to source its products, including adverse developments in trade or political relations with China or other countries where it sources its products, or a shift in these countries' manufacturing capacities away from footwear and apparel to other industries. Other adverse developments, such as pandemics or other health crises, could cause significant production and shipping delays. Any of these events could have an adverse effect on the Company's business, results of operations and financial position and, in particular, on the Company's ability to meet customer demands and produce its products in a cost-effective manner.

The Company's ability to import products in a timely and cost-effective manner may also be affected by conditions at ports or issues that otherwise affect transportation and warehousing providers, such as fluctuations in freight costs, port and shipping capacity, labor disputes or severe weather due to climate change. These issues have in the past and may in the future delay importation of products or require the Company to locate alternative ports or warehousing providers to avoid disruption to customers. These alternatives may not be available on short notice or could result in higher costs, which could have an adverse impact on the Company's business and financial condition.

*Pandemics, including COVID-19 and other infectious disease outbreaks have had and could continue to have a material adverse effect on the company's business.*

The Company's business could be adversely affected by infectious disease outbreaks. As we saw with the initial phase of the COVID-19 pandemic, outbreaks of disease can negatively affected the global economy, disrupt consumer spending and global supply chains, and significantly increased the volatility and disruption of financial markets both globally and in the U.S. These conditions following the onset of the COVID-19 pandemic led to a decline in discretionary spending by consumers that had a negative effect on the Company's financial condition and results of operations in 2020. Outbreaks of disease, and actions taken in response to an outbreak, have in the past materially negatively impacted, and could in the future materially negatively impact, the Company's workforce as well as its business, operations, and financial results in many ways, both directly and indirectly. Potential impacts to the Company's business can be materially adversely affected by several factors related to a health crisis, including, but not limited to:

- The inability of employees, suppliers and other business providers to carry out tasks at ordinary levels of performance as a result of safety measures taken to limit the spread of infectious disease outbreaks.
- Required closures of retail stores operated by the Company or the Company's wholesale customers as well as decreased retail traffic due to social distancing measures, store closures, reduced operating hours, and/or changes in consumer behavior.
- Negative effects on consumer demand for our products as a result of decreased consumer spending due to general macroeconomic conditions, decreased disposable income and increased unemployment.
- Wholesale and distributor customer order cancellations due to lower consumer demand.
- Decline in the performance or financial condition of the Company's major wholesale customers as a result of retail store closures, bankruptcy or liquidation.
- Consumer demand for our products may be adversely impacted by economic conditions.

- Disruption to the operations of the Company's distribution centers and its third-party manufacturers because of facility closures, reductions in operating hours, labor or material shortages, travel limitations or mass transit disruptions.
- Additional expenses related to mitigating the impact of a health crisis on regular operations.
- Supply chain disruption effecting the Company's ability to receive and distribute goods as well as increases in supply chain costs.
- Increased cyber security risk due to the increase in the number of employees working remotely.
- Volatility in the availability and prices for commodities for raw materials used in the Company's products and related inflationary pressures.

The occurrence of a health crisis may also affect the Company's operating and financial results in a manner that is not presently known to the Company or that the Company does not currently believe presents significant risks to its operations.

*Labor disruptions could adversely affect the Company's business.*

The Company's business depends on its ability to source and distribute products in a timely and cost-effective manner. Labor disputes at or that affect independent factories where the Company's goods are produced, shipping ports, tanneries, transportation carriers, retail stores or distribution centers create significant risks for the Company's business, particularly if these disputes result in work slowdowns, stoppages, lockouts, strikes or other disruptions. Any such disruption may have an adverse effect on the Company's business by potentially resulting in inventory shortages, delayed or canceled orders by customers and unanticipated inventory accumulation, and may negatively impact the Company's results of operations and financial position.

*If the Company is unable to hire qualified persons for, or retain and continue to develop, its workforce, its results of operations could be adversely affected.*

The future success of the Company also depends on its ability to attract and retain qualified personnel, including in its product, eCommerce, and leadership teams. Competition for such personnel in the Company's industry is intense. If the Company fails to attract and retain such employees, it may not be successful in developing and implementing its business strategies. The Company's ability to hire and retain qualified personnel may be affected by a number of factors, including: the ability to attract and motivate employees; the competition the Company faces from other companies in hiring and retaining qualified personnel; and the Company's ability to offer employees remote work opportunities. If the Company is unable to hire and retain employees capable of performing at a high level, its business, including cash flows, results of operations, employee satisfaction, and reputation, could be adversely affected.

*A significant reduction in wholesale customer purchases of the Company's products, wholesale customers seeking more favorable terms or canceling orders, or the failure of wholesale customers to pay for the Company's products in a timely manner could adversely affect the Company's business.*

The Company's financial success depends on its wholesale customers continuing to purchase its products. The Company does not typically have long-term contracts with its wholesale customers. Sales to the Company's wholesale customers are generally on an order-to-order basis and are subject to rights of cancellation and rescheduling by the wholesale customers. In fiscal 2022, the Company experienced a higher rate of wholesale customer cancellations as retail customers sought to manage higher inventory levels and supply chain disruption. Failure to fill wholesale customers' orders in a timely manner could harm the Company's relationships with its wholesale customers. Furthermore, if any of the Company's major wholesale customers experiences a significant downturn in its business, or fails to remain committed to the Company's products or brands, these wholesale customers may reduce or discontinue purchases from the Company, which could have an adverse effect on the Company's results of operations and financial position.

The Company sells its products to wholesale customers and extends credit based on an evaluation of each wholesale customer's financial condition. The financial difficulties of a wholesale customer could cause the Company to stop doing business with that wholesale customer or reduce its business with that wholesale customer. The Company's inability to collect from its wholesale customers or a cessation or reduction of sales to certain wholesale customers because of credit concerns could have an adverse effect on the Company's business, results of operations and financial position.

Retail consolidation could lead to fewer wholesale customers, wholesale customers seeking more favorable price, payment or other terms from the Company and a decrease in the number of stores that carry the Company's products. In addition, changes in the channels of distribution, such as the continued growth of eCommerce and related competitive pressures, and the sale of private label products by major retailers, could have an adverse effect on the Company's results of operations and financial position.

*The Company's direct-to-consumer operations continue to require substantial investment and commitment of resources and are subject to numerous risks and uncertainties.*

The Company's direct-to-consumer operations, including its brick and mortar locations as well as its eCommerce and mobile channels, require substantial fixed investment in equipment and leasehold improvements, information systems, cyber-security infrastructure, inventory and personnel. The Company also has substantial operating lease commitments for retail space. Due to the high fixed-cost structure associated with the Company's brick and mortar direct-to-consumer operations, a decline in sales or the closure or poor performance of individual or multiple stores could result in significant lease termination costs, write-offs of equipment and leasehold improvements and employee-related costs. The success of its direct-to-consumer operations also depends on the Company's ability to identify and adapt to changes in consumer spending patterns and retail shopping preferences, including the shift from brick and mortar to eCommerce and mobile channels, reductions in mall traffic and the Company's ability to effectively develop its eCommerce and mobile channels. The Company has made and will continue to make significant investments in building technologies and digital capabilities. As omni-channel retailing continues to evolve, the Company's customers are increasingly more likely to shop across multiple channels that work in tandem to meet their needs. The Company's failure to successfully respond to these factors could adversely affect the Company's direct-to-consumer business, as well as limit the Company's ability to successfully develop and expand the omni-channel experience for customers, damage its reputation and brands, and have an adverse effect on the Company's results of operations and financial position.

*The Company's reputation and competitive position depend on its third-party manufacturers, distributors, licensees and others complying with applicable laws and ethical standards.*

The Company cannot ensure that its independent contract manufacturers, third-party distributors, third-party licensees and others with which it does business comply with all applicable laws and ethical standards relating to working conditions and other matters. If a party with which the Company does business is found to have violated applicable laws or ethical standards, the Company could be subject to negative publicity that could damage its reputation, negatively affect the value of its brands and subject the Company to legal risks.

In addition, the Company relies on its third-party licensees to help preserve the value of the Company's brands. The Company's attempts to protect its brands through approval rights over design, production processes, quality, packaging, merchandising, distribution, advertising and promotion of its licensed products may not be successful as the Company cannot completely control the use by its licensees of its licensed brands. The misuse of a brand by a licensee could adversely affect the value of such brand.

*Disruption of the Company's eCommerce platform or other information technology systems could adversely affect the Company's business.*

The Company's information technology systems, including its eCommerce platform, are critical to the operations of its business. Any future material interruption, unauthorized access, impairment or loss of data integrity or malfunction of these systems could severely impact the Company's business, including delays in product fulfillment and reduced efficiency in operations. In addition, costs and potential problems and interruptions associated with the implementation of new or upgraded systems, or with maintenance or adequate support of existing systems, could disrupt or reduce the efficiency of the Company's operations. Disruption to the Company's information technology systems may be caused by natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, denial-of-service attacks, computer viruses, physical or electronic break-ins, or similar events or disruptions. System redundancy may be ineffective or inadequate, and the Company's disaster recovery planning may not be sufficient for all eventualities. Such failures or disruptions could prevent access to the Company's online services and preclude store transactions. System failures and disruptions could also impede the manufacturing and shipping of products, transactions processing and financial reporting. Additionally, the Company may be adversely affected if it is unable to improve, upgrade, maintain, and expand its technology systems.

*If the Company encounters problems affecting its logistics and distribution systems, its ability to deliver its products to the market could be adversely affected.*

The Company relies on owned or independently operated distribution facilities to transport, warehouse and ship products to its customers. The Company's logistics and distribution systems include computer-controlled and automated equipment, which are subject to a number of risks related to computer system upgrades, data accuracy, security or computer viruses, the proper operation of software and hardware, power interruptions or other system failures. Substantially all of the Company's products are distributed from a relatively small number of locations. These operations could be interrupted by earthquakes, floods, fires or other natural disasters near its distribution centers or other events over which the Company has no control, such as pandemics. The Company's business interruption insurance may not adequately protect the Company from the adverse effects that could be caused by significant disruptions affecting its distribution facilities, such as the long-term loss of customers or an erosion of brand image. In addition, the Company's distribution capacity depends upon the timely performance of services by third parties, including the transportation of products to and from the Company's distribution facilities. If the Company

encounters problems affecting its distribution system, its results of operations and its ability to meet customer expectations, manage inventory, complete sales and achieve operating efficiencies could be adversely affected.

*The Company faces risks associated with its growth strategies including acquiring and disposing of businesses.*

The Company has expanded its products and markets in part through strategic acquisitions, including the acquisition of the *Sweaty Betty*® brand in the third quarter of fiscal 2021, and it may continue to do so in the future, depending on its ability to identify and successfully pursue suitable acquisition candidates. Acquisitions involve numerous risks, including risks inherent in entering new markets in which the Company may not have prior experience; potential loss of significant customers or key personnel of the acquired business; not obtaining the expected benefits of the acquisition on a timely basis or at all; managing geographically-remote operations; and potential diversion of management's attention from other aspects of the Company's business operations. Acquisitions may also cause the Company to incur debt or result in dilutive issuances of its equity securities, write-offs of goodwill and substantial amortization expenses associated with other intangible assets. The Company may not be able to obtain financing for future acquisitions on favorable terms, making any such acquisitions more expensive. Any such financing may have terms that restrict the Company's operations. The Company may not be able to successfully integrate the operations of any acquired businesses into its operations and achieve the expected benefits of any acquisitions. In addition, the Company may not consummate a potential acquisition for a variety of reasons, but still incur material costs in connection with an acquisition that it cannot recover. The failure to successfully integrate newly acquired businesses or achieve the expected benefits of strategic acquisitions in the future, or consummate a potential acquisition after incurring material costs, could have an adverse effect on the Company's business, results of operations and financial position.

From time to time, the Company may seek to sell one or more businesses, or sell or license one or more brands. For example, as part of the Company's strategy to invest in brands that offer the greatest opportunities for growth, on January 10, 2024 the Company closed the sale of the global *Sperry*® business. These transactions may involve challenges and risks. There can be no assurance that future divestitures will occur, or if a transaction does occur, there can be no assurance as to the potential value created by the transaction. The process of exploring strategic alternatives or selling a business could cause uncertainty and negatively impact our ability to attract, retain and motivate key employees. In addition, the Company expends costs and management resources to complete divestitures and manage post-closing arrangements. Any failures or delays in completing divestitures could have an adverse effect on the Company's financial results and ability to execute its strategy.

*The Company's international operations may be affected by legal, regulatory, political and economic risks.*

The Company's ability to conduct business in new and existing international markets is subject to legal, regulatory, political and economic risks. These include:

- the burdens of complying with foreign laws and regulations, including trade and labor restrictions;
- compliance with U.S. and other countries' laws relating to foreign operations, including the U.S. Foreign Corrupt Practices Act ("FCPA"), which prohibits U.S. companies from making improper payments to foreign officials for the purpose of obtaining or retaining business;
- unexpected changes in regulatory requirements; and
- new tariffs or other barriers in some international markets, including China.

The Company is also subject to general political and economic risks in connection with its international operations, including:

- political instability, war and terrorist attacks;
- differences in business culture;
- different laws governing relationships with employees and business partners;
- changes in diplomatic and trade relationships, including with China; and
- general economic fluctuations in specific countries or markets.

The Company cannot predict whether quotas, duties, taxes, or other similar restrictions will be imposed by the U.S. or foreign countries upon the import or export of the Company's products in the future, or what effect any of these actions would have, if any, on the Company's business, financial condition or results of operations. Changes in regulatory, geopolitical, social or economic policies and other factors may have an adverse effect on the Company's business in the future or may require the Company to exit a particular market or significantly modify the Company's current business practices.

*Foreign currency exchange rate fluctuations could adversely impact the Company's business.*

Foreign currency exchange rate fluctuations affect the Company's revenue and profitability. Changes in foreign currency exchange rates may impact the Company's financial results positively or negatively in any given period, which may make it difficult to compare the Company's operating results from different periods. Foreign currency exchange rate fluctuations may

also adversely impact third parties that manufacture the Company's products by increasing their costs of production and raw materials and making such costs more difficult to finance, thereby raising prices for the Company, its distributors and its licensees. The Company's hedging strategy may not successfully mitigate the Company's foreign currency exchange rate risk. For a more detailed discussion of the risks related to foreign currency exchange rate fluctuations, see Item 7A: "Quantitative and Qualitative Disclosures About Market Risk."

In addition, the Company's foreign subsidiaries purchase products in U.S. dollars and the cost of those products will vary depending on the applicable foreign currency exchange rate, which will impact the price charged to customers. The Company's foreign distributors also purchase products in U.S. dollars and sell in local currencies, which impacts the price to foreign consumers and in turn, impacts the amount of royalties paid to the Company in U.S. dollars. When the U.S. dollar strengthens relative to foreign currencies, the Company's revenues and profits denominated in foreign currencies are reduced when converted into U.S. dollars and the Company's margins may be negatively impacted by the increase in product costs. The Company may seek to mitigate the negative impacts of foreign currency exchange rate fluctuations through price increases and further actions to reduce costs, but the Company may not be able to fully offset the impact, if at all. The Company's success depends, in part, on its ability to manage these various foreign currency impacts as changes in the value of the U.S. dollar relative to other currencies could have an adverse effect on the Company's business and results of operations.

*The Company's quarterly sales and earnings may fluctuate, and the Company or securities analysts may not accurately estimate the Company's financial results, which may result in volatility in, or a decline in, the Company's stock price. Decreases in the returns provided to our stockholders may ultimately adversely affect our business, results of operations and financial condition.*

The Company's quarterly sales and earnings can vary due to a number of factors, many of which are beyond the Company's control, including the following:

- In the wholesale business, sales of footwear depend on orders from major customers, who may change delivery schedules, change the mix of products they order or cancel orders without penalty.
- Changes to the Company's estimated annual tax rate which is based on projections of its domestic and international operating results for the year, which the Company reviews and revises as necessary each quarter.
- The Company's earnings are also sensitive to a number of factors that are beyond the Company's control, including certain manufacturing and transportation costs, changes in product sales mix, geographic sales trends, weather conditions, customer demand, consumer sentiment and currency exchange rate fluctuations.

As a result of these specific and other general factors, the Company's operating results will vary from quarter to quarter and the results for any particular quarter may not be indicative of results for the full year. In addition, various securities analysts follow the Company's financial results and issue reports. These reports include information about the Company's historical financial results as well as the analysts' estimates of future performance. The analysts' estimates are based upon their own opinions and are often different from the Company's estimates or expectations. Any shortfall in sales or earnings from the levels expected by investors or securities analysts could cause a decrease in the trading price of the Company's common stock.

Decreases in the trading price of our stock may adversely affect the returns our stockholders realize from ownership of our stock. Such adverse effects, as well as other factors, may cause stockholders to take actions to involve themselves in the strategic direction and governance of the Company, including through private engagement, publicity campaigns, stockholder proposals and proxy contests. Responding to these actions can be costly and time-consuming and could divert the attention of our board and senior management from managing our operations and pursuing our business strategies.

*Changes in general economic conditions and other factors affecting consumer spending could adversely affect the Company's sales, costs, operating results or financial position.*

The Company's results of operations depend on factors affecting consumer disposable income and spending patterns. These factors include general economic conditions, employment rates, business conditions, interest rates and tax policy in each of the markets and regions in which the Company or its third-party distributors and licensees operates. Customers may defer or cancel purchases of the Company's products due to uncertainty about global, regional or local economic conditions, and how such conditions may impact them. Disposable income and consumer spending may decline due to inflation, recessionary economic cycles, high interest rates on consumer or business borrowings, restricted credit availability, high levels of unemployment or consumer debt, high tax rates, declines in consumer confidence or other factors. A decline in disposable income and consumer spending has adversely affected demand for the Company's products, and could further adversely affect demand and Company's results of operations. If the Company reduces the prices of its products, offers additional promotions or increases marketing efforts due to decreases in consumer spending, the Company's profitability could decline.

The Company is subject to inflationary pressures, including increased costs in many aspects of our business, such as the cost of raw materials, transportation, and labor, which the Company may not be able to offset with cost savings or price increases on its

products. If inflationary pressures continue, and the Company is unable to pass along price increases or further reduce costs, the Company's results of operations will be negatively impacted.

*The Company operates in competitive industries and markets.*

The Company competes with a large number of wholesalers, and retailers of footwear and apparel, and direct-to-consumer footwear and apparel companies. Many of the Company's competitors have greater resources and larger customer and consumer bases, are able, or elect, to sell their products at lower prices, or have greater financial, technical or marketing resources than the Company, particularly its competitors in the apparel and direct-to-consumer businesses. The Company's competitors may own or license brands with greater name recognition; implement more effective marketing campaigns; adopt more aggressive pricing policies; make more attractive offers to potential employees, distribution partners and manufacturers; or respond more quickly to changes in consumer preferences. The Company's continued ability to sell its products at competitive prices and to meet shifts in consumer preferences quickly will affect its future sales. If the Company is unable to respond effectively to competitive pressures, its results of operations and financial position may be adversely affected.

*Unseasonable or extreme weather conditions could adversely affect the Company's results of operations.*

The Company markets and sells footwear and apparel suited for specific seasons, such as sandals and flats for the summer season and boots for the winter season. If the weather conditions for a particular season vary significantly from those typical for that season, such as an unusually cold and rainy summer or an unusually warm and dry winter, consumer demand for seasonally appropriate products could be adversely affected. Lower demand for seasonally appropriate products may result in excess inventory, forcing the Company to sell these products at significantly discounted prices, which would adversely affect the Company's results of operations. Conversely, if weather conditions permit the Company to sell seasonal products early in the season, this may reduce inventory levels needed to meet customers' needs later in that same season. Consequently, the Company's results of operations are dependent on future weather conditions and its ability to react to changes in weather conditions.

Extreme weather conditions can also adversely impact the Company's business, results of operations and financial position. If extreme weather events forced closures of, or disrupted operations at, distribution centers maintained by the Company or third parties, the Company could incur higher costs and experience longer lead times to distribute its products on a timely basis to the Company's retail stores, wholesale customers or eCommerce consumers. In addition, consumer traffic may be reduced as a result of extreme weather conditions and a decrease in shopping traffic could have an adverse effect on the Company's results of operations and financial position.

*Changes in general economic conditions and/or the credit markets affecting the Company's distributors, suppliers and retailers could adversely affect the Company's results of operations and financial position.*

Changes in general economic conditions and/or the credit markets could have an adverse impact on the Company's future results of operations and financial position. Negative trends in global economic conditions may adversely impact the Company's third-party distributors', suppliers' and retailers' ability to meet their obligations to provide the Company with the materials and services it needs at the prices, terms or levels as such third-parties have historically, which could adversely impact the Company's ability to meet consumers' demands and, in turn, the Company's results of operations and financial position.

In addition, if the Company's third-party distributors, suppliers and retailers are not able to obtain financing on favorable terms, or at all, they may delay or cancel orders for the Company's products or fail to meet their obligations to the Company in a timely manner, either of which could adversely impact the Company's sales, cash flow and operating results.

*Global political and economic uncertainty could adversely impact the Company's business.*

The Company's products are marketed in approximately 170 countries and territories, and the Company sources a substantial majority of its products from foreign countries. Concerns regarding acts of terrorism or regional and international conflicts and concerns regarding public health threats, such as COVID-19, have created and may in the future create significant global economic and political uncertainties that may have adverse effects on consumer demand, acceptance of U.S. brands in international markets, foreign sourcing of products, shipping and transportation, product imports and exports and the sale of products in foreign markets, any of which could adversely affect the Company's ability to source, manufacture, distribute and sell its products. For example, conflicts in the Middle East, heightened tensions in the Red Sea and disruption of the Suez Canal shipping channels may cause supply chain disruptions and increase shipping costs.

In addition, an economic downturn, whether actual or perceived, a further decrease in economic growth rates or an otherwise uncertain economic outlook in markets in which the Company operates could have an adverse effect on the Company. The Company cannot predict the timing, strength or duration of any economic slowdown or subsequent economic recovery, worldwide, in markets in which the Company operates, or in its industry.



The Company is also subject to risks related to doing business in developing countries and economically volatile areas. These risks include social, political and economic instability; nationalization by local governmental authorities of the Company's, its distributors', or its licensees' assets and operations; slower payment of invoices; and restrictions on the Company's ability to repatriate foreign currency or receive payment of amounts owed by third-party distributors and licensees. In addition, commercial laws in these areas may not be well developed or consistently administered, and new unfavorable laws may be retroactively applied. Any of these risks could have an adverse impact on the Company's prospects and results of operations in these areas.

## **Financial Risks**

*The Company's operating results depend on effectively managing inventory levels.*

The Company's ability to effectively manage its inventories and accurately forecast demand are important factors in its operations. Inventory shortages can impede the Company's ability to meet demand, adversely affect the timing of shipments to customers and, consequently, adversely affect business relationships with retail customers, diminish brand loyalty and decrease sales.

Conversely, excess inventory can result in lower gross margins if the Company lowers prices in order to liquidate inventory. In addition, inventory may become obsolete as a result of changes in consumer preferences over time. The Company's business, results of operations and financial position could be adversely affected if it is unable to effectively manage its inventory.

*Increases or changes in duties, quotas, tariffs and other trade restrictions could adversely impact the Company's sales and profitability.*

All of the Company's products manufactured overseas and imported into the U.S., Canada, the European Union and other countries are subject to customs duties collected by customs authorities. The customs information submitted by the Company is routinely subject to review by customs authorities and any such review might result in the assessment of additional duties or penalties. Additional U.S. or foreign customs duties, quotas, tariffs, anti-dumping duties, safeguard measures, cargo restrictions, the loss of most favored nation trading status or other trade restrictions, including those due to changes in trade relations between the U.S. and other countries, may be imposed on the importation of the Company's products in the future. The imposition of such costs or restrictions in countries where the Company operates, as well as in countries where its third-party distributors and licensees operate, could result in increases in the cost of the Company's products generally and adversely affect its sales and profitability.

*Increases in the cost of raw materials, labor and services could adversely affect the Company's results of operations.*

The Company's ability to competitively price its products depends on the prices of commodities, such as cotton, leather, rubber, petroleum, cattle, pigskin hides, and other raw materials, used to make and transport its products, as well as the prices of equipment, labor, transportation and shipping, insurance and health care. The cost of commodities, equipment, services and materials is subject to change based on availability and general economic and market conditions that are difficult to predict. Various conditions, such as diseases affecting the availability of leather, affect the cost of the footwear marketed by the Company. Increases in costs for commodities, equipment, services and materials used in production could have a negative impact on the Company's results of operations and financial position.

*An increase in the Company's effective tax rate or negative determinations by domestic or foreign tax authorities could have an adverse effect on the Company's results of operations and financial position.*

A significant amount of the Company's earnings are generated by its Canadian, European and Asia Pacific subsidiaries and, to a lesser extent, in jurisdictions that are not subject to income tax. As a result, the Company's income tax expense has historically differed from the tax computed at the U.S. statutory income tax rate due to discrete items and because the Company did not provide for U.S. taxes on non-cash undistributed earnings that it intends to permanently reinvest in foreign operations. The Company's future effective tax rates could be unfavorably affected by a number of factors, including, but not limited to, changes in the tax rates in jurisdictions in which the Company generates income; changes in, or in the interpretation of, tax rules and regulations in the jurisdictions in which the Company does business; or decreases in the amount of earnings in countries with low statutory tax rates. An increase in the Company's effective tax rate could have an adverse effect on its results of operations and financial position.

In addition, the Company's income tax returns are subject to examination by the Internal Revenue Service and other domestic and foreign tax authorities. The Company regularly assesses the likelihood of outcomes resulting from these examinations to determine the adequacy of its provision for income taxes and establishes reserves for potential adjustments that may result from these examinations. The final determination of any of these examinations could have an adverse effect on the Company's results of operations and financial position.

*An impairment of goodwill or other intangibles could have an adverse impact to the Company's results of operations.*

The carrying value of goodwill represents the fair value of acquired businesses in excess of identifiable assets and liabilities as of the acquisition date. The carrying value of other intangibles represents the fair value of trade names and other acquired intangibles as of the acquisition date. Goodwill and other acquired intangibles expected to contribute indefinitely to the Company's cash flows are not amortized but must be evaluated by the Company at least annually for impairment. If the carrying amounts of one or more of these assets are not recoverable based upon discounted cash flow and market-approach analyses, the carrying amounts of such assets are impaired by the estimated difference between the carrying value and estimated fair value. An impairment charge could adversely affect the Company's results of operations, such as the impairments recorded associated with the *Sweaty Betty*<sup>®</sup> trade name and goodwill in fiscal 2022.

*The Company's current level of indebtedness could adversely affect the Company by decreasing business flexibility and increasing borrowing costs.*

The Company's current level of indebtedness could adversely affect the Company by decreasing its business flexibility and increasing its borrowing costs. The Company has debt outstanding under a senior secured credit agreement ("Credit Agreement") and senior notes. The Credit Agreement and the indenture governing the senior notes contain customary restrictive covenants imposing operating and financial restrictions on the Company, including restrictions that may limit the Company's ability to engage in acts that may be in its long-term best interests. These covenants restrict the ability of the Company and certain of its subsidiaries to, among other things: incur or guarantee indebtedness; incur liens; pay dividends or repurchase stock; enter into transactions with affiliates; consummate asset sales, acquisitions or mergers; prepay certain other indebtedness; or make investments. In addition, the restrictive covenants in the Credit Agreement require the Company to maintain specified financial ratios and satisfy other financial condition tests.

These restrictive covenants may limit the Company's ability to finance future operations or capital needs or to engage in other business activities. The Company's ability to comply with any financial covenants could be materially affected by events beyond its control and the Company may be unable to satisfy any such requirements. If the Company fails to comply with these covenants, it may need to seek waivers or amendments of such covenants, seek alternative or additional sources of financing or reduce its expenditures. The Company may be unable to obtain such waivers, amendments or alternative or additional financing on favorable terms or at all.

### **Legal and Regulatory Risks**

*If the Company is unsuccessful in establishing and protecting its intellectual property, the value of its brands could be adversely affected.*

The Company's ability to remain competitive depends upon its continued ability to secure and protect trademarks, patents and other intellectual property rights in the U.S. and internationally for all of the Company's lines of business. The Company relies on a combination of trade secret, patent, trademark, copyright and other laws, license agreements and other contractual provisions and technical measures to protect its intellectual property rights; however, some countries' laws do not protect intellectual property rights to the same extent U.S. laws do.

The Company's business could be significantly harmed if it is not able to protect its intellectual property or if a court found it to be infringing on other persons' intellectual property rights. Any intellectual property lawsuits or threatened lawsuits in which the Company is involved, either as a plaintiff or as a defendant, could cost the Company a significant amount of time and money and distract management's attention from operating the Company's business. If the Company does not prevail on any intellectual property claims, then the Company may have to change its manufacturing processes, products or trade names, any of which could reduce its profitability.

In addition, some of the Company's branded footwear operations are operated pursuant to licensing agreements with third-party trademark owners. These agreements are subject to early termination for breach. These agreements also expire by their terms and as the agreements expire, the Company may be forced to stop selling the related products. Expiration or early termination by the licensor of any of these license agreements could have an adverse effect on the Company's business, results of operations and financial position.

*Changes in employment laws and regulations and other related changes may lead to higher employment and pension costs for the Company.*

Changes in employment laws and regulations in the countries and territories in which the Company operates and other factors could increase the Company's overall employment costs. The Company's employment costs include costs relating to health care and retirement benefits, including U.S.-based defined benefit pension plans. The annual cost of benefits can vary significantly depending on a number of factors, including changes in the assumed or actual rate of return on pension plan assets, a change in the discount rate or mortality assumptions used to determine the annual service cost related to the defined benefit

plans, a change in the method or timing of meeting pension funding obligations and the rate of health care cost inflation. Increases in the Company's overall employment and pension costs could have an adverse effect on the Company's business, results of operations and financial position.

*Increasing scrutiny and evolving expectations from customers, regulators, investors, and other stakeholders with respect to the Company's environmental, social and governance ("ESG") practices may impose additional costs on the Company or expose it to new or additional risks.*

Companies are facing increasing and frequently evolving scrutiny globally from customers, regulators, investors, employees and other stakeholders related to their ESG practices and disclosure. Investor advocacy groups, investment funds and influential investors are also increasingly focused on these practices, especially as they relate to the environment, health and safety, board and workforce diversity, labor conditions, human rights, and cybersecurity and data privacy. Third parties have also developed proprietary ratings or analyses of companies based on certain ESG metrics. Increased ESG-related compliance costs could result in increases to the Company's overall operational costs. Failure to adapt to or comply with regulatory requirements or investor or other stakeholder expectations and standards could negatively impact the Company's reputation, ability to do business with certain partners, and stock price. New government regulations could also result in new or more stringent forms of ESG oversight and expanding mandatory and voluntary reporting, diligence, and disclosure. The Company's ESG initiatives and goals may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve and assumptions that are subject to change in the future. As we report on our ESG initiatives or goals, we may be subject to heightened reputational and operational risk and compliance costs related to these matters. Complying with increased regulations could increase the Company's costs and adversely impact results of operations. The Company's inability or failure to meet, or the perceived failure to meet, such stakeholders' expectations, as well as adverse incidents, could negatively impact the Company's stock price, results of operations, or reputation and increase the cost of capital.

*The Company's and its vendors' databases containing personal information and payment card data of the Company's customers, employees and other third parties could be breached, which could subject the Company to adverse publicity, litigation, fines and expenses. If the Company is unable to comply with bank and payment card industry standards, its operations could be adversely affected.*

The protection of the Company's customer, associate and Company data is critically important to the Company. The Company relies on its networks, databases, systems and processes, as well as those of third parties such as vendors, to protect its proprietary information and information about its customers, employees and vendors. The Company's customers and associates have a high expectation that the Company will adequately safeguard and protect their sensitive personal information. The Company's operations have become increasingly centralized and dependent upon automated information technology processes. In addition, a portion of the Company's business operations is conducted electronically, increasing the risk of attack or interception that could cause loss or misuse of data, system failures or disruption of operations. If unauthorized parties gain access to these networks or databases, they may be able to steal, publish, delete or modify the Company's private and sensitive third-party or employee information. Improper activities by third parties, exploitation of encryption technology, new data-hacking tools and discoveries and other events or developments may result in a future compromise or breach of the Company's networks, payment card terminals or other payment systems. In particular, the techniques used by criminals to obtain unauthorized access to sensitive data change frequently and often are not recognized until launched against a target; accordingly, the Company may be unable to anticipate these techniques or implement adequate preventative measures. Any failure to maintain the security of the Company's customers' sensitive information, or data belonging to it or its suppliers, could put it at a competitive disadvantage, result in deterioration of its customers' confidence in it, and subject it to potential litigation, liability, fines and penalties, resulting in a possible adverse impact on its financial condition and results of operations. The Company's insurance coverage may be insufficient to cover all losses and would not remedy damage to the Company's reputation. In addition, employees may intentionally or inadvertently cause data or security breaches that result in unauthorized release of personal or confidential information. In such circumstances, the Company could be held liable to its customers, other parties or employees, be subject to regulatory or other actions for breaching privacy laws or failing to adequately protect such information or respond to a breach. This could result in costly investigations and litigation, civil or criminal penalties, operational changes and negative publicity that could adversely affect the Company's reputation and its results of operations and financial position. In addition, if the Company is unable to comply with bank and PCI security standards, it may be subject to fines, restrictions and expulsion from card acceptance programs, which could adversely affect the Company's direct-to-consumer operations.

*The Company's operations are subject to environmental and workplace safety laws and regulations, and costs or claims related to these requirements could adversely affect the Company's business.*

The Company's operations are subject to various federal, state and local laws and regulations relating to the protection of the environment, including those governing the discharge of pollutants into the air, soil and water, the management and disposal of solid and hazardous materials and wastes, employee exposure to hazards in the workplace, and the investigation and

remediation of contamination resulting from releases of hazardous materials. Failure to comply with legal requirements could result in, among other things, revocation of required licenses, administrative enforcement actions, fines and civil and criminal liability. Various third parties have brought, and in the future could bring actions against the Company alleging health-related or other harm arising from non-compliance. The Company may incur investigation, remediation or other costs related to releases of hazardous materials or other environmental conditions at its currently or formerly owned or operated properties, regardless of whether such environmental conditions were created by the Company or a third-party, such as a prior owner or tenant. The Company has incurred, and continues to incur, costs to address soil and groundwater contamination at some locations. If such issues become more expensive to address, or if new issues arise, they could increase the Company's expenses, generate negative publicity, or otherwise adversely affect the Company.

*The disruption, expense and potential liability associated with existing and future litigation against the Company could adversely affect its reputation, financial position or results of operations.*

The Company may be named as a defendant from time to time in lawsuits and regulatory actions relating to its business. For example, regulatory actions, punitive class actions lawsuits and individual lawsuits have been filed against the Company alleging claims relating to property damage, remediation and human health effects, among other claims, arising from the Company's operations, including its handling, storage, treatment, transportation and/or disposal of waste. These claims are discussed in more detail in Note 17 to the Company's Consolidated Financial Statements. Due to the inherent uncertainties of litigation and regulatory proceedings, the Company cannot accurately predict the ultimate outcome of any such proceedings. An unfavorable outcome could have an adverse impact on the Company's business, results of operations and financial position. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings are expensive and may require that the Company devote substantial resources and executive time to the defense of such proceedings.

*Provisions of Delaware law and the Company's certificate of incorporation and bylaws could prevent or delay a change in control or change in management that could be beneficial to the Company's stockholders.*

Provisions of the Delaware General Corporation Law, as well as the Company's certificate of incorporation and bylaws, could discourage, delay or prevent a merger, acquisition or other change in control of the Company that might benefit the Company's stockholders. These provisions are intended to provide the Company's Board of Directors with continuity and also serve to encourage negotiations between the Company's Board of Directors and any potential acquirer. Such provisions include a Board of Directors that is classified so that only one-third of directors stand for election each year. These provisions could also discourage proxy contests and make it more difficult for stockholders to replace the majority of the Company's directors and take other corporate actions that may be beneficial to the Company's stockholders.

*The Company's marketing programs, eCommerce initiatives and use of consumer information are governed by an evolving set of laws, industry standards and enforcement trends and unfavorable changes in those laws, standards or trends, or the Company's failure to comply with existing or future laws, could negatively impact the Company's business and results of operations.*

The Company collects, maintains and uses data provided to it through its online activities and other consumer interactions in its business. The Company's current and future marketing programs depend on its ability to collect, maintain and use this information, and its ability to do so is subject to certain contractual restrictions in third party contracts as well as evolving international, federal and state laws, industry standards and enforcement trends. The Company is subject to a broad array of applicable laws and other legal obligations relating to privacy, data protection and consumer protection, including those relating to the use of data for marketing purposes. These requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another, may conflict with other rules or may conflict with the Company's practices. If the Company is not able to comply with any applicable requirements, the Company's reputation could be negatively impacted and the Company may be subject to proceedings or actions against it by governmental entities or others.

In addition, as data privacy and marketing laws change, the Company may incur additional costs to remain in compliance. If applicable data privacy and marketing laws become more restrictive at the federal or state level, the Company's compliance costs may increase, and the Company's ability to effectively engage customers via personalized marketing may decrease which could potentially impact growth.

Because the Company processes and transmits payment card information, the Company is subject to the Payment Card Industry ("PCI") Data Security Standard (the "Standard"), and card brand operating rules ("Card Rules"). The Standard is a comprehensive set of requirements for enhancing payment account data security that was developed by the PCI Security Standards Council to help facilitate the broad adoption of consistent data security measures. The Company is required by payment card network rules to comply with the Standard, and the Company's failure to do so may result in fines or restrictions on its ability to accept payment cards. Under certain circumstances specified in the payment card network rules, the Company may be required to submit to periodic audits, self-assessments or other assessments of its compliance with the Standard. Such activities may reveal that the Company has failed to comply with the Standard. If an audit, self-assessment or other test

determines that the Company needs to take steps to remediate any deficiencies, the Company may be required to undertake remediation efforts, which may be costly or could result in periods of time during which the Company cannot accept payment cards. In addition, even if the Company complies with the Standard, there is no assurance that it will be protected from a security breach. Further, changes in technology and processing procedures may result in changes in the Card Rules. Such changes may require the Company to make significant investments in operating systems and technology that may impact business. Failure to keep up with changes in technology could impact growth opportunities. Failure to comply with the Standard or Card Rules could result in losing certification under the PCI standards and an inability to process payments.

The Company is also subject to U.S. and international data privacy and cybersecurity laws and regulations, which may impose fines and penalties for noncompliance and may have an adverse effect on the Company's operations. For example, the General Data Protection Regulation ("GDPR"), which applies in all European Union member states, introduced new data protection requirements in the European Union and substantial fines for breaches of the data protection rules. GDPR increases our responsibility and potential liability in relation to personal data that we collect, process and transfer, and we have put in place additional mechanisms designed to ensure compliance with the new data protection rules. Any failure to comply with these rules and related national laws of European Union member states, could lead to government enforcement actions and significant penalties against us, and could adversely affect our business, financial condition, cash flows and results of operations. In addition, the California Consumer Privacy Act ("CCPA") limits how we may collect and use personal data. The effects of the CCPA governs the Company's data processing practices and policies. Additionally, other states have adopted, or are considering enacting, similar laws that may affect the Company's data processing practices and policies.

*The Company operates in many different international markets and could be adversely affected by violations of the FCPA and similar worldwide anti-corruption laws.*

The FCPA and similar worldwide anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. The Company's internal policies mandate compliance with these anti-corruption laws. Despite training and compliance programs, the Company's internal control policies and procedures may not protect it from reckless or criminal acts committed by its employees or agents.

The Company's continued expansion internationally, including in developing countries, could increase the risk of FCPA violations in the future. Violations of these laws, or allegations of such violations, could disrupt the Company's business and result in an adverse effect on the results of operations or financial condition.

#### **Item 1B. Unresolved Staff Comments**

None.

#### **Item 1C. Cybersecurity**

The Company maintains a cybersecurity program guided by the ISO 27001 information security standard for information security management systems that is reasonably designed to protect its information, and that of its customers, against cybersecurity threats that may result in material adverse effects on the confidentiality, integrity, and availability of its information systems.

#### **Internal Cybersecurity Team and Governance**

##### *Board of Directors*

The Company's Board, in coordination with the Audit Committee, oversees the Company's enterprise risk management process, including the management of risks arising from cybersecurity threats. The Board has delegated the primary responsibility to oversee cybersecurity matters to the Audit Committee. The Audit Committee regularly reviews the measures implemented by the Company to identify and mitigate data protection and cybersecurity risks. As part of such reviews, the Audit Committee receives quarterly reports and presentations from members of the Company's team responsible for overseeing the Company's cybersecurity risk management, including the Chief Information Security Officer (CISO), Chief Information Officer (CIO), and members of the legal team, which address a wide range of topics including recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, technological trends and information security considerations arising with respect to the Company's peers and third parties. The other members of the Board attend these quarterly reports and presentations to the Audit Committee by members of management. The Company has protocols by which certain cybersecurity incidents that meet established reporting thresholds are escalated within the Company and, where appropriate, reported promptly to the Board and Audit Committee, as well as ongoing updates regarding any such incident until it has been addressed.

## *Management*

At the management level, the CISO, who has extensive cybersecurity knowledge and skills gained from over 16 years of work experience at the Company and elsewhere, heads the cross-functional team responsible for implementing, monitoring, and maintaining cybersecurity and data protection practices across the business and reports directly to the CIO, who reports directly to the Chief Executive Officer. The CISO receives reports on cybersecurity threats from a number of experienced information security team members, each of whom is responsible for various parts of the business on an ongoing basis and, in conjunction with management, regularly reviews risk management measures implemented by the Company to identify and mitigate data protection and cybersecurity risks. The CISO works closely with the legal team to oversee compliance with legal, regulatory and contractual security requirements.

## *Internal Cybersecurity Team*

The Internal Cybersecurity Team, led by the CISO, is responsible for the implementation, monitoring, and maintenance of the cybersecurity and data protection practices across the Company. The CISO is supported by experienced information security team members, each of whom is supported by a team of trained cybersecurity professionals. The individuals who report directly to the CISO include the Director of Cyber Security, who oversees the cybersecurity engineers, security operations center, and identity & access management team, and the Privacy and Compliance Manager, who oversees the global privacy and compliance analysts.

In addition to internal cybersecurity capabilities, the Company also at times engages consultants or specialists to assist with assessing, identifying, and managing cybersecurity risks.

## **Risk Management and Strategy**

The Company employs systems and processes designed to oversee, identify, and reduce the potential impact of a security incident at a third-party vendor, service provider or customer or otherwise implicating the third-party technology and systems the Company uses.

The Company maintains a Privacy Policy that describes the personal information that it collects about its customers, including how the Company may use such information and when it shares such information with third parties.

The Company conducts annual cyber-risk mitigation exercises including awareness outreach, annual IT Security Awareness training, monthly phishing tests, and a variety of ongoing vulnerability scans. Over the past two years, the Company has implemented multiple new security tools designed to provide visibility and controls allowing the cybersecurity team to safeguard data against theft or loss.

The Company maintains various role-based access controls to safeguard data and systems. Data center assets are protected and monitored by badged key systems and video surveillance. Access is periodically reviewed and updated.

In addition, an external consultant in conjunction with the Company conducted a cybersecurity gap assessment in November 2023 to review and confirm that the Company has appropriate measures in place to assess, identify and manage cybersecurity risks, and the Company is implementing the recommendations made as a result of the gap assessment.

The cybersecurity, legal, and Executive Leadership teams also participated in a data security incident tabletop exercise in December 2023 to simulate responses to a ransomware attack and use the findings to improve the Company's processes and technologies.

The Company maintains cybersecurity insurance coverage to help defray any financial losses suffered by the Company in the event of an information security breach. The Company's insurance coverage may not cover all cybersecurity incidents the Company experiences or all losses the Company incurs as a result.

## *Incident Response*

The Company has adopted an Incident Response Plan (the "IRP") that provides a standardized framework for responding to security incidents. The IRP sets out a coordinated approach to investigating, containing, documenting and mitigating incidents, including reporting findings and keeping senior management and other key stakeholders informed and involved as appropriate. The IRP applies to all Company personnel (including third-party contractors, vendors and partners) that perform functions or services that require access to secure Company information, and to all devices and network services that are owned or managed by the Company.

## **Material Cybersecurity Risks, Threats & Incidents**

The Company relies on information technology and third party vendors to support its operations, including its secure processing of personal, confidential, sensitive, proprietary and other types of information. The Company and its vendors may not be able to protect all of their respective information systems, and such incidents may lead to reputational harm, revenue and client loss, legal actions, statutory penalties, among other consequences. Risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected the Company, including its business strategy, results of operations or financial condition. While the Company has not experienced any material cybersecurity incidents, there can be no guarantee that it will not be the subject of future successful attacks, threats or incidents.

## Item 2. Properties

The Company operates its domestic administration, sales and marketing operations primarily from an owned facility of approximately 307,000 square feet in Rockford, Michigan, as well as leased facilities of approximately 84,700 square feet in Waltham, Massachusetts and 80,000 square feet in the United Kingdom. The Company operates its distribution operations primarily through a leased distribution facility of approximately 720,000 square feet in Beaumont, California; a leased distribution facility of approximately 520,000 square feet in Louisville, Kentucky; a leased distribution center of approximately 468,000 square feet in Howard City, Michigan; a leased distribution center of approximately 242,000 square feet in Ontario, Canada and a leased distribution center of approximately 125,000 square feet in Heerhugowaard, Netherlands.

The Company also leases or owns offices, showrooms and other facilities throughout the U.S., Canada, the United Kingdom, continental Europe, Hong Kong and China to meet its operational requirements. In addition, the Company operates 166 retail stores primarily through leases with various third-party landlords in the U.S., United Kingdom, and Canada that collectively occupy approximately 388,000 square feet. The Company believes that its current facilities are suitable and adequate to meet its current needs.

## Item 3. Legal Proceedings

The Company is involved in litigation and various legal matters arising in the normal course of business, including certain environmental compliance activities. For a discussion of legal matters, see Note 17 to the Company's Consolidated Financial Statements.

## Item 4. Mine Safety Disclosures

Not applicable.

## Supplemental Item. Information about our Executive Officers

The following table lists the names and ages of the Executive Officers of the Company and their positions held with the Company as of January 31, 2024. The information provided below the table lists the business experience of each such Executive Officer for at least the past five years. All Executive Officers serve at the pleasure of the Board of Directors of the Company, or, if not appointed by the Board of Directors, at the pleasure of management.

Name	Age	Positions held with the Company
Christopher E. Hufnagel	51	President and Chief Executive Officer
Amy M. Klimek	50	Executive Vice President, Global Human Resources
Reginald M. Rasch	53	Senior Vice President, General Counsel and Secretary
Isabel Soriano	53	President, International
Michael D. Stornant	57	Executive Vice President, Chief Financial Officer and Treasurer
James D. Zwiers	56	Executive Vice President and President, Global Operations Group

Christopher E. Hufnagel has served the Company as Chief Executive Officer since August 2023, and as President since May 2023. From November 2022 through May 2023, he was the President, Active Group. From September 2019 through November 2022 he served as President of the *Merrell*<sup>®</sup> brand. From July 2018 through September 2019, he served as President, *Car*<sup>®</sup> Footwear. From January 2013 through July 2018, he served as Senior Vice President and Head of Corporate Strategy.

Amy M. Klimek has served the Company as Executive Vice President, Global Human Resources since May 2016. From October 2014 to May 2016, she served as Vice President of Human Resources.

Reginald M. Rasch has served the Company as Senior Vice President, General Counsel and Secretary since January 2023. From May 2021 through November 2022, he was the Chief Legal Officer and Corporate Secretary of Party City Holdco Inc., a publicly traded party goods company. Mr. Rasch was employed by Rakuten, a global technology conglomerate, from 2005 to May 2021, where he was the Rakuten Americas Head of Legal and Secretary from 2016 to May 2021.

Isabel Soriano has served the Company as President, International since June 2021. From June 2018 to May 2021, she served as Vice President and Managing Director of EMEA. From April 2014 to June 2018, she served as Vice President and General Manager for Vans, Timberland and Kipling in South America at VF Corporation, a publicly traded footwear and apparel retailer.

Michael D. Stornant has served the Company as Executive Vice President, Chief Financial Officer and Treasurer since June 2015. From January 2013 through June 2015, he served as Vice President, Corporate Finance.

James D. Zwiers has served the Company as Executive Vice President since February 2017 and President, Global Operations Group since January 2021. From February 2016 through February 2017, he served as President, Wolverine Outdoor & Lifestyle Group. From June 2014 through February 2016, he served as Senior Vice President and President, International Group.

PART II

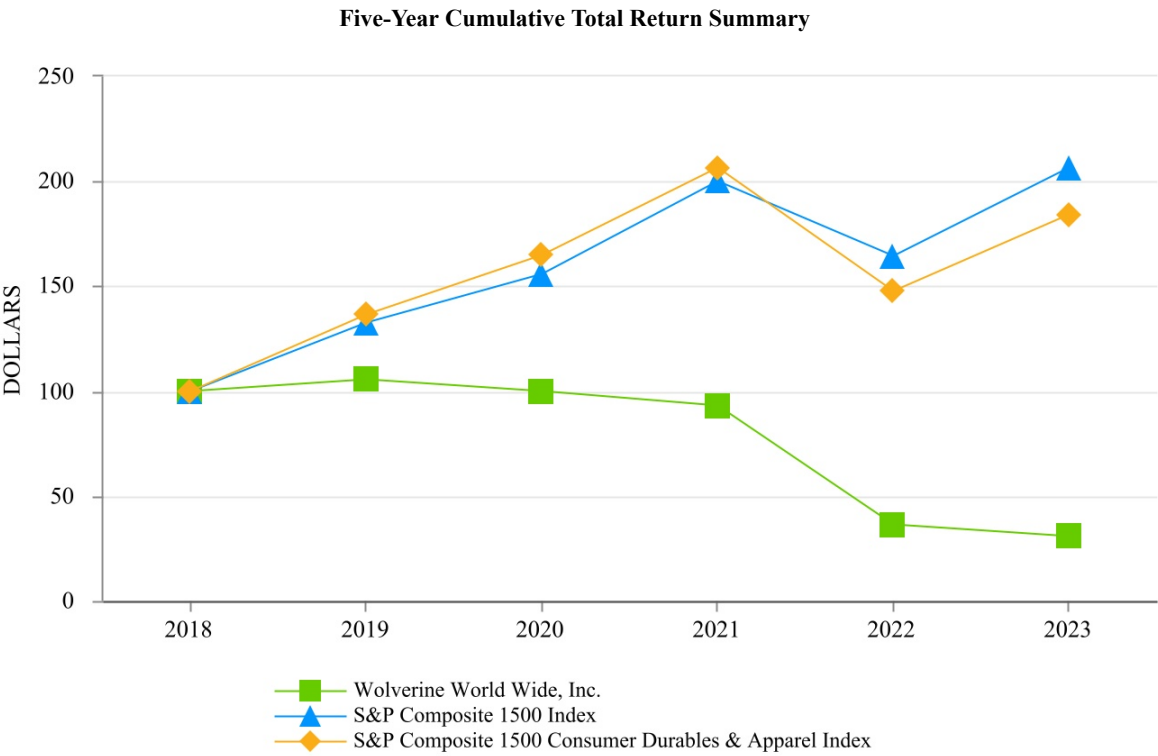
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company’s common stock is traded on the New York Stock Exchange under the symbol “WWW.” The number of stockholders of record on February 9, 2024, was 654.

A quarterly dividend of \$0.10 per share was declared on February 7, 2024. The Company currently expects that comparable cash dividends will be paid in future quarters in fiscal 2024.

Stock Performance Graph

The following graph compares the five-year cumulative total stockholder return on the Company’s common stock to the Standard & Poor’s 1500 Index and the Standard & Poor’s 1500 Consumer Durables & Apparel Index, assuming an investment of \$100 at the beginning of the period indicated. The Company is part of both the Standard & Poor’s 1500 Index and the Standard & Poor’s 1500 Consumer Durables & Apparel Index. This Stock Performance Graph shall not be deemed to be incorporated by reference into the Company’s SEC filings and shall not constitute soliciting material or otherwise be considered filed under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.





The following table provides information regarding the Company's purchases of its own common stock during the fourth quarter of fiscal 2023.

### Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Amount that May Yet Be Purchased Under the Plans or Programs
Period 10 (October 1, 2023 to November 4, 2023)				
Common Stock Repurchase Program <sup>(1)</sup>	—	\$ —	—	\$ —
Employee Transactions <sup>(2)</sup>	2,269	\$ 7.93		
Period 11 (November 5, 2023 to December 2, 2023)				
Common Stock Repurchase Program <sup>(1)</sup>	—	\$ —	—	\$ —
Employee Transactions <sup>(2)</sup>	3,897	\$ 8.40		
Period 12 (December 3, 2023 to December 30, 2023)				
Common Stock Repurchase Program <sup>(1)</sup>	—	\$ —	—	\$ —
Employee Transactions <sup>(2)</sup>	—	\$ —		
Total for the Fourth Quarter Ended December 30, 2023				
Common Stock Repurchase Program <sup>(1)</sup>	—	\$ —	—	\$ —
Employee Transactions <sup>(2)</sup>	6,166	\$ 8.22		

<sup>(1)</sup> On September 11, 2019, the Company's Board of Directors approved a common stock repurchase program that authorized the repurchase of \$400.0 million of common stock over a four-year period, incremental to the \$113.4 million available as of that date for repurchases under the previous program. Since that date, the Company repurchased \$146.9 million of common stock. The annual amount of any stock repurchases is restricted under the terms of the Company's amended senior credit facility and senior notes indenture. The common stock repurchase program expired on September 11, 2023.

<sup>(2)</sup> Employee transactions include: (1) shares delivered or attested to in satisfaction of the exercise price and/or tax withholding obligations by holders of employee stock options who exercised options, and (2) restricted shares and units withheld to offset statutory minimum tax withholding that occurs upon vesting of restricted shares and units. The Company's employee stock compensation plans provide that the shares delivered or attested to, or withheld, shall be valued at the closing price of the Company's common stock on the date the relevant transaction occurs.

### Item 6. Reserved

### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

#### OVERVIEW

#### BUSINESS OVERVIEW

The Company is a leading global designer, marketer and licensor of branded footwear, apparel and accessories. The Company's strategic vision is to build and grow high-energy footwear, apparel and accessories brands that inspire and empower consumers to explore and enjoy their active lives. The Company seeks to fulfill this vision by offering innovative products and compelling brand propositions; complementing its footwear brands with strong apparel and accessories offerings; expanding its global direct-to-consumer footprint; and delivering supply chain excellence.

The Company's brands are marketed in approximately 170 countries and territories at December 30, 2023, including through owned operations in the U.S., Canada, the United Kingdom and certain countries in continental Europe and Asia Pacific. In other regions (Latin America, portions of Europe and Asia Pacific, the Middle East and Africa), the Company relies on a network of third-party distributors, licensees and joint ventures. At December 30, 2023, the Company operated 166 retail stores in the U.S., United Kingdom, and Canada and 56 direct-to-consumer eCommerce sites.

Effective February 4, 2023, the Company completed the sale of the *Keds*<sup>®</sup> business.

In the third quarter of fiscal 2023, the Company entered into a multi-year licensing agreement of the *Hush Puppies*<sup>®</sup> brand in the United States and Canada. In addition, the Company completed the sale of *Hush Puppies*<sup>®</sup> trademarks, patents, copyrights, and domains in China, Hong Kong, and Macau.

Effective August 23, 2023, the Company completed the sale of the U.S. Leathers business and effective December 28, 2023, the Company completed the sale of the Asia-based Leathers business. See Note 20 to the Company's Consolidated Financial Statements for further discussion.

The following discussion includes a comparison of the Company's results of operations and liquidity and capital resources for fiscal 2023 and 2022. A discussion of a comparison of the Company's results of operations and liquidity and capital resources for fiscal 2022 and 2021 has been omitted from this Form 10-K but may be found in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the SEC on February 23, 2023.

### **Known Trends Impacting Our Business**

Macroeconomic conditions and supply chain disruptions continue to adversely affect the Company's business results. During the third quarter of 2022, inventory transit times improved ahead of plan, resulting in challenges managing the timing of inventory flow, which caused the Company to have excess inventory. Elevated inventory levels have resulted, and continue to result, in storage and processing capacity pressures at the Company's U.S. distribution centers. The Company has incurred additional inventory carrying costs including costs for outside storage and other inventory related holding costs. The Company decreased inventory purchases and increased promotional activity during the fourth quarter of 2022 and fiscal year 2023 to reduce excess inventory. These actions caused inventories to decline in fiscal year 2023 by \$371.6 million, compared to the fourth quarter of 2022. As of the end of fiscal year 2023, the Company had \$30.9 million of inventory in-transit, which represents a decrease in inventory of \$115.9 million as compared to the end of the fourth quarter of 2022. As inventory transit and product purchase timelines continue to move towards pre-pandemic levels, the Company expects that the flow of seasonal product and our inventory levels will normalize by the end of fiscal 2024.

Inflation and other macroeconomic pressures in the U.S. and the global economy such as rising interest rates, energy prices and recession fears are creating a complex and challenging retail environment for the Company and its customers as consumers generally seek discounted merchandise and reduce discretionary spending, which in turn impacts wholesale customer orders. Inflationary pressures are increasing logistics costs, including labor costs, raw materials costs and product input costs, which continue to adversely affect the Company's results. These increased costs, combined with higher promotional activity, contributed to gross margin contraction of 100 basis points for fiscal year 2023 compared to fiscal year 2022. These impacts were partially offset by selective price increases taken in prior quarters by certain brands and products. The Company expects to continue to evaluate future pricing of its products. In addition, the strengthening of the U.S. dollar relative to other major currencies negatively impacted the Company's financial results in fiscal year 2023.

Please refer to Item 1A, "Risk Factors" for a more complete discussion of the risks the Company encounters in our business.

### **2023 FINANCIAL OVERVIEW**

- Revenue was \$2,242.9 million for 2023, representing a decrease of 16.5% compared to the prior year's revenue of \$2,684.8 million.
- Gross margin for 2023 was 38.9%, compared to 39.9% in 2022.
- The effective tax rate in 2023 was 70.7%, compared to 25.2% in 2022.
- Diluted loss per share in 2023 was \$0.51, compared to diluted loss per share of \$2.37 in 2022.
- The Company declared cash dividends of \$0.40 per share in 2023 and 2022.
- Cash flow provided by operating activities was \$121.8 million in 2023 and cash flow used in operating activities was \$178.9 million in 2022.
- Compared to the prior year, inventory decreased \$371.6 million, or 49.9%, as of year-end.

## RESULTS OF OPERATIONS

The following is a discussion of the Company's results of operations and liquidity and capital resources. This section should be read in conjunction with the Company's consolidated financial statements and related notes, which are included in Item 8 of this Annual Report on Form 10-K.

(In millions, except per share data)	Fiscal Year		
	2023	2022	Percent Change
Revenue	\$ 2,242.9	\$ 2,684.8	(16.5)%
Cost of goods sold	1,370.4	1,614.4	(15.1)%
Gross profit	872.5	1,070.4	(18.5)%
Selling, general and administrative expenses	856.2	906.4	(5.5)%
Gain on sale of businesses, trademarks and long-lived assets	(90.4)	(90.0)	(0.4)%
Impairment of long-lived assets	185.3	428.7	(56.8)%
Environmental and other related costs (income), net of recoveries	(10.4)	33.7	(130.9)%
Operating profit (loss)	(68.2)	(208.4)	67.3 %
Interest expense, net	63.5	47.3	34.2 %
Other expense (income), net	2.5	(2.8)	189.3 %
Earnings (loss) before income taxes	(134.2)	(252.9)	46.9 %
Income tax expense (benefit)	(95.0)	(63.8)	(48.9)%
Net earnings (loss)	(39.2)	(189.1)	79.3 %
Less: net earnings (loss) attributable to noncontrolling interests	0.4	(0.8)	150.0 %
Net earnings (loss) attributable to Wolverine World Wide, Inc.	\$ (39.6)	\$ (188.3)	79.0 %
Diluted earnings (loss) per share	\$ (0.51)	\$ (2.37)	78.5 %

## REVENUE

Revenue was \$2,242.9 million for 2023, representing a decline of 16.5% compared to the prior year's revenue of \$2,684.8 million. The change in revenue reflected a 8.3% decline from the Active Group, an 18.6% decline from the Work Group and a 38.3% decline from Other. The Active Group's revenue decline was driven by a decrease of \$88.4 million from *Merrell*®, \$25.3 million from *Chaco*®, \$9.6 million from *Saucony*® and \$7.8 million from *Sweaty Betty*®. The Work Group's revenue decline was driven primarily by a decrease of \$46.3 million from *Wolverine*®, \$40.2 million from *Car*®, \$15.9 million from *Harley-Davidson*® and \$6.5 million from *Bates*®. The decline in Other revenue was primarily driven by a decrease of \$87.0 million from *Sperry*®, \$84.7 million from *Keds*® and \$21.6 million from the performance leathers business. International revenue represented 45.7%, and 41.8% of total reported revenues in 2023 and 2022, respectively. Changes in foreign exchange rates increased revenue by \$3.4 million during 2023. Direct-to-consumer revenue decreased by \$109.4 million, or 15.8% during 2023 compared to 2022.

## GROSS MARGIN

For 2023, the Company's gross margin was 38.9%, compared to 39.9% in 2022. The gross margin decrease was primarily driven by unfavorable supply chain costs in the Company's wholesale channel and unfavorable average selling price and product costs changes in the Company's direct-to-consumer channel.

## OPERATING EXPENSES

Operating expenses decreased \$338.1 million in 2023, to \$940.7 million. The decrease was driven by lower impairment of long-lived assets (\$243.4 million), the gain on the sale of businesses, trademarks, and long-lived assets (\$90.4 million), lower advertising costs (\$51.4 million), lower environmental and other related costs, net of recoveries (\$44.1 million), lower incentive compensation costs (\$22.1 million), lower selling costs (\$9.6 million), lower product development costs (\$4.8 million), lower distribution costs (\$4.7 million), and lower *Sweaty Betty*® integration costs (\$2.0 million), partially offset by the prior year gain recorded on the sale of the *Champion* trademarks for footwear in the United States and Canada (\$90.0 million), higher reorganization costs (\$36.8 million), higher divestiture costs (\$5.1 million), and higher general and administrative costs (\$2.1 million). Environmental and other related costs were \$8.4 million and \$56.3 million in 2023 and 2022, respectively. See Note 17 to the Company's Consolidated Financial Statements for further discussion of environmental remediation costs.

## INTEREST, OTHER AND TAXES

Net interest expense was \$63.5 million in 2023 compared to \$47.3 million in 2022. Interest expense increased in the current year due to higher average principal balances of variable rate debt and higher average interest rates on the Company's variable rate debt.

Other expense was \$2.5 million in 2023 compared to other income of \$2.8 million in 2022.

The effective tax rate in 2023 was 70.7%, compared to 25.2% in 2022. In 2023 the Company recognized more tax benefits compared to 2022 primarily related to the generation and utilization of a capital loss. The tax benefits increased the tax benefit recognized from the pretax loss, resulting in a higher effective tax rate in 2023.

## REPORTABLE SEGMENTS

The Company's portfolio of brands are organized into the following reportable segments.

- **Active Group**, consisting of *Merrell*® footwear and apparel, *Saucony*® footwear and apparel, *Sweaty Betty*® activewear, and *Chaco*® footwear;
- **Work Group**, consisting of *Wolverine*® footwear and apparel, *Cat*® footwear, *Bates*® uniform footwear, *Harley-Davidson*® footwear and *HYTEST*® safety footwear;

Kids' footwear offerings from *Saucony*®, *Sperry*®, *Keds*®, *Merrell*®, *Hush Puppies*® and *Cat*® are included with the applicable brand.

The Company also reports "Other" and "Corporate" categories. The Other category consists of *Sperry*® footwear, *Keds*® footwear, *Hush Puppies*® footwear and apparel, the Company's leather marketing operations, sourcing operations that include third-party commission revenues, multi-branded direct-to-consumer retail stores and the *Stride Rite*® licensed business. Prior to the fourth quarter of 2023, *Sperry*®, *Keds*®, and *Hush Puppies*® financial results were reported in the Lifestyle Group. The Lifestyle Group is no longer a reportable segment based upon how the Chief Operating Decision Maker, the Company's Chief Executive Officer, allocates resources to and assesses performance of the Company's operating segments. The Corporate category consists of gains on the sale of businesses and trademarks, unallocated corporate expenses, such as corporate employee costs, corporate facility costs, reorganization activities, impairment of long-lived assets and environmental and other related costs.

The reportable segment results for years 2023 and 2022 are as follows:

(In millions)	Fiscal Year			
	2023	2022	Change	Percent Change
<b>REVENUE</b>				
Active Group	\$ 1,439.1	\$ 1,570.2	\$ (131.1)	(8.3)%
Work Group	480.6	590.5	(109.9)	(18.6)%
Other	323.2	524.1	(200.9)	(38.3)%
Total	<u>\$ 2,242.9</u>	<u>\$ 2,684.8</u>	<u>\$ (441.9)</u>	<u>(16.5)%</u>
<b>OPERATING PROFIT (LOSS)</b>				
Active Group	\$ 140.3	\$ 198.4	\$ (58.1)	(29.3)%
Work Group	58.1	102.5	(44.4)	(43.3)%
Other	32.8	59.9	(27.1)	(45.2)%
Corporate	(299.4)	(569.2)	269.8	47.4 %
Total	<u>\$ (68.2)</u>	<u>\$ (208.4)</u>	<u>\$ 140.2</u>	<u>67.3 %</u>

Further information regarding the reportable segments can be found in Note 18 to the Company's Consolidated Financial Statements.

### Active Group

The Active Group's revenue decreased \$131.1 million, or 8.3%, in 2023 compared to 2022. The revenue decline was driven by a decrease of \$88.4 million from *Merrell*®, \$25.3 million from *Chaco*®, \$9.6 million from *Saucony*® and \$7.8 million from *Sweaty Betty*®. The *Merrell*® decrease was primarily due to softer consumer demand in wholesale and eCommerce channels. The *Chaco*® decrease was primarily the result of softer consumer demand and high inventory levels at retail customers. The *Saucony*® decrease was primarily due to high inventory levels at retail customers, which adversely impacted order patterns. The

*Sweaty Betty*<sup>®</sup> decrease was primarily due to softer consumer demand in direct-to-consumer sales channels across the U.K., Ireland, and U.S. markets reflecting the challenging economic environment.

The Active Group's operating profit decreased \$58.1 million, or 29.3%, in 2023 compared to 2022. The operating profit decrease was due to revenue decreases and a 200 basis point decrease in gross margin partially offset by a \$26.9 million decrease in selling, general and administrative costs. The decrease in gross margin in the current year period was primarily due to increased closeout sales and higher promotional activity in the Company's wholesale and direct-to-consumer channels. The decrease in selling, general and administrative expenses in 2023 is primarily due to lower advertising costs, selling expenses and employee costs.

### Work Group

The Work Group's revenue decreased \$109.9 million, or 18.6%, in 2023 compared to 2022. The revenue decline was primarily driven by a decrease of \$46.3 million from *Wolverine*<sup>®</sup>, \$40.2 million from *Cat*<sup>®</sup>, \$15.9 million from *Harley-Davidson*<sup>®</sup> and \$6.5 million from *Bates*<sup>®</sup>. The *Wolverine*<sup>®</sup> decrease was primarily due to softer consumer demand in U.S. wholesale and high inventory levels at retail customers resulting in a continually heightened promotional environment. The *Cat*<sup>®</sup> decrease was primarily due to softer consumer demand across all regions. The *Harley-Davidson*<sup>®</sup> decrease was primarily due to lower at-once shipments and declines in top dealer accounts. The *Bates*<sup>®</sup> decrease was primarily due to softer consumer demand in U.S. wholesale and direct-to-consumer channels.

The Work Group's operating profit decreased \$44.4 million, or 43.3%, in 2023 compared to 2022. The operating profit decrease was due to revenue decreases and a 180 basis point decrease in gross margin, partially offset by a \$2.6 million decrease in selling, general and administrative costs. The decrease in gross margin in the current year was due to increased closeout sales, product mix and unfavorable average selling price and higher promotional activity in the Company's direct-to-consumer channel. The decrease in selling, general and administrative expenses in 2023 was primarily due to lower advertising costs and selling expenses.

### Other

Other revenue decreased \$200.9 million, or 38.3%, in 2023 compared to 2022. The revenue decline was driven by a decrease of \$87.0 million from *Sperry*<sup>®</sup>, \$84.7 million from *Keds*<sup>®</sup> and \$21.6 million from the performance leathers business. The *Sperry*<sup>®</sup> decrease was primarily driven by softer consumer demand in U.S. wholesale and softer boot sales in the direct-to-consumer channels. The *Keds*<sup>®</sup> decrease is due to the divestiture of the business effective February 4, 2023. The performance leathers business decrease is due to the divestiture of the U.S. leathers business effective August 23, 2023.

Other operating profit decreased \$27.1 million, or 45.2%, in 2023 compared to 2022. The operating profit decrease was due to revenue decreases partially offset by a 30 basis point increase in gross margin and a \$50.9 million decrease in selling, general and administrative costs. The increase in gross margin in the current year period was primarily due to the divestiture of the lower margin *Keds*<sup>®</sup> and performance leathers businesses. The decrease in selling, general and administrative expenses in the current year period was primarily due to lower advertising costs, selling expenses and the divestiture of the *Keds*<sup>®</sup> and performance leathers businesses.

### Corporate

Corporate expenses decreased \$269.8 million in 2023 compared to 2022 primarily due to lower impairment of long-lived and intangible assets (\$243.4 million), the gain on sale of businesses, trademarks, and long-lived assets (\$90.4 million), lower environmental and other related costs (\$44.1 million), lower incentive compensation costs (\$14.5 million), and lower employee costs (\$11.4 million), partially offset by the 2022 gain recorded on the sale of the *Champion* trademarks for footwear in the United States and Canada (\$90.0 million), and higher reorganization activities (\$36.8 million).

## LIQUIDITY AND CAPITAL RESOURCES

(In millions)	Fiscal Year	
	2023	2022
Cash and cash equivalents <sup>(1)</sup>	\$ 184.6	\$ 135.5
Debt	920.8	1,158.0
Available Revolving Facility <sup>(2)</sup>	688.4	569.3

<sup>(1)</sup> Cash and cash equivalents at the end of the year in the Consolidated Statements of Cash Flows includes \$5.6 million and \$4.0 million of cash and cash equivalents that are classified as held for sale as of December 30, 2023 and December 31, 2022, respectively, that are not included in cash and cash equivalents in the Consolidated Balance Sheets.

(2) Amounts are net of both borrowings, if any, and outstanding standby letters of credit issued in accordance with the terms of the Revolving Facility.

## Liquidity

Cash and cash equivalents of \$184.6 million as of December 30, 2023 were \$49.1 million higher compared to December 31, 2022. The increase is due primarily to proceeds from the sale of businesses, trademarks, long-lived assets and other assets of \$188.9 million, cash provided by operating activities of \$121.8 million and contributions from noncontrolling interests of \$31.2 million, partially offset by net revolver payments of \$120.0 million, long-term debt payments of \$118.3 million, cash dividends paid of \$32.6 million, additions to property, plant, and equipment of \$14.6 million and shares acquired related to employee stock plans of \$5.8 million. The Company had \$688.4 million of borrowing capacity available under the Revolving Facility as of December 30, 2023. Cash and cash equivalents located in foreign jurisdictions totaled \$161.8 million as of December 30, 2023.

Cash flow from operating activities is expected to be sufficient to meet the Company's working capital needs for the foreseeable future. Any excess cash flow from operating activities is expected to be used to fund organic growth initiatives, reduce debt, pay dividends and for general corporate purposes.

The Company did not repurchase shares during 2023 and repurchased \$81.3 million of shares in 2022. The common stock repurchase program expired in September 2023.

A detailed discussion of environmental remediation costs is found in Note 17 to the Company's Consolidated Financial Statements. The Company has established a reserve for estimated environmental remediation costs based upon an evaluation of currently available facts with respect to each individual affected site. As of December 30, 2023, the Company has a reserve of \$57.9 million, of which \$31.3 million is expected to be paid in the next 12 months and is recorded as a current obligation in other accrued liabilities, with the remaining \$26.6 million recorded in other liabilities and expected to be paid over the course of up to 25 years. The Company's remediation activity at its former Tannery site and sites where the Company disposed of Tannery byproducts is ongoing. It is difficult to estimate the cost of environmental compliance and remediation given the uncertainties regarding the interpretation and enforcement of applicable environmental laws and regulations, the extent of environmental contamination and the existence of alternative cleanup methods.

Note 17 to the Company's Consolidated Financial Statements also includes a detailed discussion of environmental litigation matters. As of December 30, 2023, the Company had recorded liabilities of \$2.7 million for certain of these environmental litigation matters which are recorded as other accrued liabilities in the consolidated condensed balance sheets.

Developments may occur that could materially change the Company's current cost estimates. The Company adjusts recorded liabilities as further information develops or circumstances change.

The Company expects to meet its contractual obligations through its customary sources of liquidity in the normal course of business, such as cash from operating activities, and believes it has the financial resources to satisfy these contractual obligations. The Company had the following contractual obligations due by period at December 30, 2023:

(In millions)	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt obligations <sup>(1)</sup>	\$ 1,088.7	\$ 352.7	\$ 127.2	\$ 44.0	\$ 564.8
Operating lease obligations	210.7	35.2	58.8	44.4	72.3
Purchase obligations <sup>(2)</sup>	241.8	241.8	—	—	—
Supplemental Executive Retirement Plan	45.7	4.1	9.0	9.4	23.2
Municipal water improvements <sup>(3)</sup>	25.5	12.2	10.4	2.9	—
TCJA transition obligation	21.0	9.3	11.7	—	—
<b>Total <sup>(4)</sup></b>	<b>\$ 1,633.4</b>	<b>\$ 655.3</b>	<b>\$ 217.1</b>	<b>\$ 100.7</b>	<b>\$ 660.3</b>

<sup>(1)</sup> Includes principal and interest payments on the Company's long-term debt. Estimated future interest payments on outstanding debt obligations are based on interest rates as of December 30, 2023. Actual cash outflows may differ significantly due to changes in underlying interest rates.

<sup>(2)</sup> Purchase obligations related primarily to inventory and capital expenditure commitments.

<sup>(3)</sup> Under the terms of a Consent Decree resolving certain civil and regulatory actions, the Company is obligated to contribute towards the costs of extending municipal water lines, developing a replacement wellfield and making certain improvements to Plainfield Township's existing water treatment plant, all subject to an aggregate cap of \$69.5 million. During 2023 and 2022, the Company made payments of \$6.4 million and \$15.0 million towards the total cap, respectively. Due to the

uncertainty of the timing and amounts related to the Company's other environmental remediation costs, they have been excluded from this table. See Note 17 to the Company's Consolidated Financial Statements for additional information.

- (4) The total amount of unrecognized tax benefits on the consolidated balance sheet at December 30, 2023 is \$2.6 million. At this time, the Company is unable to make a reasonably reliable estimate of the timing of payments in individual years beyond 12 months due to uncertainties in the timing of tax audit outcomes. As a result, this amount is not included in the table above.

### Financing Arrangements

The Company's credit agreement provides for a term loan A facility (the "Term Facility") and for a revolving credit facility (the "Revolving Facility" and, together with the Term Facility, the "Senior Credit Facilities"). The maturity date of the loans under the Senior Credit Facilities is October 21, 2026. The credit agreement provides for a debt capacity of up to an aggregate debt amount (including outstanding term loan principal and revolver commitment amounts in addition to permitted incremental debt) not to exceed \$2.0 billion unless certain specified conditions set forth in the Credit Agreement are met. The Revolving Facility allows the Company to borrow up to an aggregate amount of \$1.0 billion.

The Company's \$550.0 million 4.0% senior notes issued on August 26, 2021 are due on August 15, 2029. Related interest payments are due semi-annually. The senior notes are guaranteed by substantially all of the Company's domestic subsidiaries.

As of December 30, 2023, the Company was in compliance with all covenants and performance ratios under the Credit Agreement.

The Company's debt at December 30, 2023 totaled \$920.8 million, compared to \$1,158.0 million at December 31, 2022. The Company expects to use the current borrowings to fund organic growth initiatives, pay dividends and for general corporate purposes. The decreased debt position is due to lower borrowings under the Revolving Facility resulting from operating cash inflows and proceeds from divestitures.

### Cash Flows

The following table summarizes cash flow activities:

(In millions)	Fiscal Year Ended	
	December 30, 2023	December 31, 2022
Net cash provided by (used in) operating activities	121.8	(178.9)
Net cash provided by investing activities	171.6	54.6
Net cash provided by (used in) financing activities	(246.3)	107.1
Additions to property, plant and equipment	(14.6)	(36.5)
Depreciation and amortization	35.1	34.6

### Operating Activities

The principal source of the Company's operating cash flow is net earnings, including cash receipts from the sale of the Company's products, net of costs of goods sold.

Cash from operations during 2023 was higher compared to 2022, due primarily to a decrease in net working capital representing a source of cash of \$168.0 million. Working capital balances were favorably impacted by a decrease in inventories of \$286.5 million and a decrease in accounts receivable of \$2.8 million, partially offset by an increase in other operating assets of \$16.8 million, a decrease in accounts payable of \$65.6 million and a decrease in other operating liabilities of \$36.6 million. Operating cash flows included non-cash add back for the impairment of long-lived assets of \$185.3 million, depreciation and amortization expense adjustment of \$35.1 million, stock-based compensation expense adjustment of \$15.2 million, deferred income tax adjustment of \$95.8 million, gain on sale of business, trademarks and long-lived assets of \$90.4 million, environmental and other related costs, net of cash payments and recoveries received cash outflow of \$55.1 million, and pension expense adjustment of \$0.7 million.

## **Investing Activities**

The Company made capital expenditures of \$14.6 million and \$36.5 million in years 2023 and 2022, respectively, for building improvements, eCommerce site enhancements, new retail stores, distribution operations improvements and information system enhancements. The current year activity includes proceeds from the sale of businesses and trademarks of \$188.9 million.

## **Financing Activities**

The current year debt activity includes net payments under the Revolving Facility of \$120.0 million and payments on long-term debt of \$118.3 million. The Company paid \$5.8 million and \$7.7 million in 2023 and 2022, respectively, in connection with shares or units withheld to pay employee taxes related to awards under stock incentive plans. The Company received \$31.2 million and \$7.0 million from noncontrolling interests in 2023 and 2022, respectively.

The Company declared cash dividends of \$0.40 per share in each of 2023 and 2022. Dividends paid totaled \$32.6 million and \$32.8 million for 2023 and 2022, respectively. A quarterly dividend of \$0.10 per share was declared on February 7, 2024 to shareholders of record on April 1, 2024.

## **NEW ACCOUNTING STANDARDS**

See Note 2 to the Company's Consolidated Financial Statements for information related to new accounting standards.

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of the Company's Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP"), requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, management evaluates these estimates. Estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Historically, actual results have not been materially different from the Company's estimates. However, actual results may differ materially from these estimates under different assumptions or conditions.

The Company has identified the following critical accounting policies used in determining estimates and assumptions in the amounts reported. Management believes that an understanding of these policies is important to an overall understanding of the Company's Consolidated Financial Statements. Significant accounting policies are summarized in Note 1 to the Company's Consolidated Financial Statements.

### **Revenue Recognition and Performance Obligations**

Revenue is recognized upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration to be received in exchange for those goods or services. The Company identifies the performance obligation in the contract, determines the transaction price, allocates the transaction price to the performance obligations, and recognizes revenue upon completion of the performance obligation. Revenue is recognized net of variable consideration and any taxes collected from customers, which are subsequently remitted to governmental authorities.

Control of the Company's goods and services, and associated revenue, are transferred to customers at a point in time. The Company's contract revenue consist of wholesale revenue and direct-to-consumer revenue. Wholesale revenue is recognized for products sourced by the Company when control transfers to the customer generally occurring upon the purchase, shipment or delivery of branded products to the customer. Direct-to-consumer includes eCommerce revenue that is recognized for products sourced by the Company when control transfers to the customer once the related goods have been shipped and retail store revenue recognized at time of sale. The point of purchase or shipment was evaluated to best represent when control transfers based on the Company's right of payment for the goods, the customer's legal title to the asset, the transfer of physical possession and the customer having the risks and rewards of the goods. Payment terms for the Company's revenue vary by sales channel. Standard credit terms apply to the Company's wholesale receivables, while payment is rendered at the time of sale within the direct-to-consumer channel.

Revenue is recorded at the net sales price ("transaction price"), which includes estimates of variable consideration for which reserves are established. Components of variable consideration include trade discounts and allowances, product returns, customer markdowns, customer rebates and other sales incentives relating to the sale of the Company's products. These reserves are based on the amounts earned, or to be claimed on the related sales. These estimates take into consideration a range of possible outcomes, which are probability-weighted in accordance with the expected value method for relevant factors such as current contractual and statutory requirements, specific known market events and trends, industry data and forecasted customer buying and payment patterns. Overall, these reserves reflect the Company's best estimates of the amount of consideration to



which it is entitled based on the terms of the respective underlying contracts. Revenue recognized during the year ended December 30, 2023 related to the Company's contract liabilities was nominal.

### **Inventory**

The Company values its inventory at the lower of cost or net realizable value. Cost is determined by the last-in, first out ("LIFO") method for certain domestic finished product inventories. Cost is determined using the first-in, first-out ("FIFO") method for all raw materials, work-in-process and finished product inventories in foreign countries and certain domestic finished product inventories. The average cost of inventory is used for finished product inventories of the Company's direct-to-consumer business and *Sweaty Betty*® inventory. The Company has applied these inventory cost valuation methods consistently from year to year.

The Company reduces the carrying value of its inventories to the lower of cost or net realizable value for excess or obsolete inventories based upon assumptions about future demand and market conditions. If the Company were to determine that the estimated realizable value of its inventory is less than the carrying value of such inventory, the Company would provide a reserve for such difference as a charge to cost of sales. If actual market conditions are different from those projected, adjustments to those inventory reserves may be required. The adjustments would increase or decrease the Company's cost of sales and net income in the period in which they were realized or recorded. Inventory quantities are verified at various times throughout the year by performing physical inventory counts and subsequently comparing those results to perpetual inventory balances. If the Company determines that adjustments to the inventory quantities are appropriate, an adjustment to the Company's cost of goods sold and inventory is recorded in the period in which such determination was made.

### **Business Combinations**

The Company accounts for business combinations using the acquisition method of accounting, which requires that once control is obtained, the consolidated financial statements reflect the operations of an acquired business starting from the acquisition date.

All assets acquired and liabilities assumed are recorded at fair value as of the acquisition date. The Company allocates the purchase price of an acquired business to the fair values of the tangible and identifiable intangible assets acquired and liabilities assumed, with any excess purchase price recorded as goodwill. Contingent consideration, if any, is included in the purchase price and is recognized at its fair value on the acquisition date. During the measurement period, which is up to one year from the acquisition date, adjustments to the assets acquired and liabilities assumed may be recorded, with the corresponding offset to goodwill.

The determination of fair values of identifiable assets and liabilities requires estimates and the use of valuation techniques and requires management to make judgments that may involve the use of significant estimates. For intangible assets acquired in a business combination, the Company typically uses the income method. Significant estimates used in valuing certain intangible assets include, but are not limited to, the amount and timing of future cash flows, growth rates and discount rates, among other items. If the actual results differ from the estimates and judgments used, the amounts recorded in the Consolidated Financial Statements may be exposed to potential impairment of the intangible assets and goodwill as discussed in the "Goodwill and Indefinite-Lived Intangibles" section below.

### **Goodwill and Indefinite-Lived Intangibles**

Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to impairment tests at least annually. The Company reviews the carrying amounts of goodwill and indefinite-lived intangible assets by reporting unit at least annually, or when indicators of impairment are present, to determine if such assets may be impaired. If the carrying amounts of these assets are not recoverable based upon discounted cash flow and market approach analyses, the carrying amounts of such assets are reduced by the estimated difference between the carrying values and estimated fair values. The Company includes assumptions such as a discount rate and expected future operating performance, which includes forecasted revenue growth, earnings before interest, taxes, depreciation and amortization ("EBITDA") margin and cost of capital, which are derived from internal projections and operating plans, as part of a discounted cash flow analysis to estimate fair value.

For goodwill, if the estimated fair value of the reporting unit exceeds its carrying value, no further review is required. However, if the estimated fair value of the reporting unit is less than its carrying value, the Company records an impairment charge equal to the excess of the recorded goodwill over the fair value of the goodwill.

The Company may first assess qualitative factors to determine whether it is more likely than not that the fair value of goodwill and indefinite-lived intangible assets are less than their carrying value. The Company would not be required to quantitatively determine the fair value unless the Company determines, based on the qualitative assessment, that it is more likely than not that its fair value is less than the carrying value.

The Company performs its annual testing for goodwill and indefinite-lived intangible asset impairment at the beginning of the fourth quarter of the fiscal year for all reporting units. In the fourth quarter of 2022, after completion of the annual impairment testing, the Company recorded a \$48.4 million impairment charge for *Sweaty Betty*<sup>®</sup> goodwill. The Company did not recognize any impairment charges for goodwill during 2023 and 2021. In the third quarter of 2023, after completion of impairment testing, the Company recorded a \$38.3 million impairment charge for the *Sperry*<sup>®</sup> trade name. In the fourth quarter of 2022, the Company recognized impairment charges of \$191.0 million for the *Sperry*<sup>®</sup> trade name and \$189.3 million for the *Sweaty Betty*<sup>®</sup> trade name. No impairment charges were recognized for the Company's intangible assets during 2021. Refer to Note 4, "Goodwill and Other Intangibles" for additional discussion of the *Sweaty Betty*<sup>®</sup> goodwill impairment and the *Sweaty Betty*<sup>®</sup> and *Sperry*<sup>®</sup> trade name impairments.

## **Environmental**

The Company establishes a reserve for estimated environmental remediation costs based upon the evaluation of currently-available facts with respect to each individual affected site. The costs are recorded on an undiscounted basis when they are probable and reasonably estimable, generally no later than the completion of feasibility studies, the Company's commitment to a plan of action, or approval by regulatory agencies. Liabilities for estimated costs of environmental remediation are based primarily upon third-party environmental studies, other internal analysis and the extent of the contamination and the nature of required remedial actions at each site. The Company records adjustments to the estimated costs if there are changes in the scope of the required remediation activity, extent of contamination, governmental regulations or remediation technologies. Environmental costs relating to existing conditions caused by past operations that do not contribute to current or future revenues are expensed as incurred. Refer to Note 17, "Litigation and Contingencies" for additional discussion on estimated environmental remediation costs.

Assets related to potential recoveries from other responsible parties are recognized when a definitive agreement is reached and collection of cash is realizable. Recoveries of covered losses under insurance policies are recognized only when realization of the claim is deemed probable.

The Company is subject to legal proceedings and claims related to the environmental matters as described in Note 17 to the Company's Consolidated Financial Statements. The Company routinely assesses the legal and factual circumstances of each matter and the likelihood of any adverse outcomes in these matters, as well as ranges of possible losses. Assessments of lawsuits and claims can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions. The Company accrues an estimated liability for legal proceeding claims that are both probable and estimable and reserves may change in future periods due to new developments in each matter. For further discussion, refer to Note 17 "Litigation and Contingencies".

## **Retirement Benefits**

The determination of the obligation and expense for retirement benefits depends upon the selection of certain actuarial assumptions used in calculating such amounts. These assumptions include, among others, the discount rate, expected long-term rate of return on plan assets, mortality rates and rates of increase in compensation. These assumptions are reviewed with the Company's actuaries and updated annually based on relevant external and internal factors and information, including, but not limited to, long-term expected asset returns, rates of termination, regulatory requirements and plan changes.

The Company utilizes a bond matching calculation to determine the discount rate used to calculate its year-end pension liability and subsequent year pension expense. A hypothetical bond portfolio is created based on a presumed purchase of individual bonds to settle the plans' expected future benefit payments. The discount rate is the resulting yield of the hypothetical bond portfolio. The bonds selected are listed as high grade by at least two recognized ratings agency and are non-callable, currently purchasable and non-prepayable. The calculated discount rate was 5.30% at December 30, 2023, compared to 5.56% at December 31, 2022. Pension expense is also impacted by the expected long-term rate of return on plan assets, which the Company has determined to be 6.88% and 6.87% for fiscal 2023 and 2022, respectively. This rate is based on both actual historical rates of return experienced by the pension assets and the long-term rate of return of a composite portfolio of equity and fixed income securities that reflects the approximate diversification of the pension assets.

## **Income Taxes**

The Company maintains certain strategic management and operational activities in overseas subsidiaries, and its foreign earnings are taxed at rates that have generally been lower than the U.S. federal statutory income tax rate. A significant amount of the Company's earnings are generated by its Canadian, European and Asian subsidiaries and, to a lesser extent, in jurisdictions that are not subject to income tax. Income tax audits associated with the allocation of this income and other complex issues may require an extended period of time to resolve and may result in income tax adjustments if changes to the income allocation are required between jurisdictions with different income tax rates. The Company evaluates the probability a tax position will be effectively sustained and the appropriateness of the amount recognized for uncertain tax positions based on

factors including changes in facts or circumstances, changes in tax law, settled audit issues and new audit activity. Changes in the Company's assessment may result in the recognition of a tax benefit or an additional charge to the tax provision in the period our assessment changes. The carrying value of the Company's deferred tax assets assumes that the Company will be able to generate sufficient taxable income in future years to utilize these deferred tax assets. If these assumptions change, the Company may be required to record valuation allowances against its gross deferred tax assets in future years, which would cause the Company to record additional income tax expense in its consolidated statements of operations. Management evaluates the potential that the Company will be able to realize its gross deferred tax assets and assesses the need for valuation allowances on a quarterly basis.

On a periodic basis, the Company estimates the full year effective tax rate and records a quarterly income tax provision in accordance with the projected full year rate. As the year progresses, that estimate is refined based upon actual events and the distribution of earnings in each tax jurisdiction during the year. This continual estimation process periodically results in a change to the expected effective tax rate for the year. When this occurs, the Company adjusts the income tax provision during the quarter in which the change in estimate occurs so that the year-to-date provision reflects the revised anticipated annual rate.

The Company intends to repatriate cash held in foreign jurisdictions and has recorded a deferred tax liability related to estimated state taxes and foreign withholding taxes on the future dividends received in the U.S. from the foreign subsidiaries.

The Company intends to permanently reinvest all non-cash undistributed earnings outside of the U.S. and has, therefore, not established a deferred tax liability on that amount of foreign unremitted earnings. However, if these non-cash undistributed earnings were repatriated, the Company would be required to accrue and pay applicable U.S. taxes and withholding taxes payable to various countries. It is not practicable to estimate the amount of the deferred tax liability associated with these non-cash unremitted earnings due to the complexity of the hypothetical calculation.

#### **Item 7A. Quantitative and Qualitative Disclosures About Market Risk**

In the normal course of business, the Company's financial position and results of operations are routinely subject to a variety of risks, including market risk associated with interest rate movements on borrowings and investments and currency rate movements on non-U.S. dollar denominated assets, liabilities and cash flows. The Company regularly assesses these risks and has established policies and business practices that should mitigate a portion of the adverse effect of these and other potential exposures.

##### **Foreign Exchange Risk**

The Company faces market risk to the extent that changes in foreign currency exchange rates affect the Company's foreign assets, liabilities and inventory purchase commitments. The Company manages these risks by attempting to denominate contractual and other foreign arrangements in U.S. dollars. The Company does not believe that there has been a material change in the nature of the Company's primary market risk exposures, including the categories of market risk to which the Company is exposed and the particular markets that present the primary risk of loss to the Company. As of the date of this Annual Report on Form 10-K, the Company does not know of any material change in the near-term in the general nature of its primary market risk exposure.

Under the provisions of Financial Accounting Standards Board Accounting Standards Codification Topic 815, *Derivatives and Hedging*, the Company is required to recognize all derivatives on the balance sheet at fair value. Derivatives that are not qualifying hedges must be adjusted to fair value through earnings. If a derivative is a qualifying hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against the change in fair value of the hedged assets, liabilities or firm commitments through earnings or recognized in accumulated other comprehensive income (loss) until the hedged item is recognized in earnings.

The Company conducts wholesale operations outside of the U.S. in Canada, continental Europe, the United Kingdom, Hong Kong, China and Mexico where the functional currencies are primarily the Canadian dollar, euro, British pound, Hong Kong dollar, Chinese renminbi and Mexican peso, respectively. The Company utilizes foreign currency forward exchange contracts to manage the volatility associated primarily with U.S. dollar inventory purchases made by non-U.S. wholesale operations in the normal course of business as well as to manage foreign currency translation exposure. At December 30, 2023 and December 31, 2022, the Company had outstanding forward currency exchange contracts to purchase primarily U.S. dollars in the amounts of \$269.0 million and \$334.2 million, respectively, with maturities ranging up to 531 and 524 days, respectively.

The Company also has sourcing locations in Asia, where financial statements reflect the U.S. dollar as the functional currency. However, operating costs are paid in the local currency. Revenue generated by the Company from third-party foreign licensees is calculated in the local currencies but paid in U.S. dollars. Accordingly, the Company's reported results are subject to foreign currency exposure for this stream of revenue and expenses. Any associated foreign currency gains or losses on the settlement of local currency amounts are reflected within the Company's consolidated statement of operations and comprehensive income.

Assets and liabilities outside the U.S. are primarily located in the United Kingdom, Canada and the Netherlands. The Company's investments in foreign subsidiaries with a functional currency other than the U.S. dollar are generally considered long-term. At December 30, 2023, a weaker U.S. dollar compared to certain foreign currencies increased the value of these investments in net assets by \$16.8 million from their value at December 31, 2022. At December 31, 2022, a stronger U.S. dollar compared to foreign currencies decreased the value of these investments in net assets by \$76.3 million from their value at January 1, 2022.

### **Interest Rate Risk**

The Company is exposed to interest rate changes primarily as a result of interest expense on the Incremental Term Loan borrowings and any borrowings under the Revolving Facility. The Company's total variable-rate debt was \$376.7 million at December 30, 2023 and the Company held a forward-dated interest rate swap agreement, denominated in U.S. dollars that will effectively convert \$75.3 million of this amount to fixed-rate debt. The interest rate swap derivative instrument is held and used by the Company as a tool for managing interest rate risk. The counterparty to the swap instrument is a large financial institution that the Company believes is of high-quality creditworthiness. While the Company may be exposed to potential losses due to the credit risk of non-performance by this counterparty, such losses are not anticipated. The fair value of the interest rate swap was determined to be a net asset of \$1.8 million as of December 30, 2023. As of December 30, 2023, the weighted-average interest rate on the Company's variable-rate debt, net of the impact of the interest rate swap, was 6.18%. Based on the level of variable-rate debt outstanding as of that date, a 100 basis point increase in the weighted-average interest rate would have increased the Company's annual pre-tax interest expense by approximately \$3.0 million. The Company does not enter into contracts for speculative or trading purposes, nor is it a party to any leveraged derivative instruments.

## Item 8. Financial Statements and Supplementary Data

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**WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Operations**

(In millions, except per share data)	Fiscal Year		
	2023	2022	2021
Revenue	\$ 2,242.9	\$ 2,684.8	\$ 2,414.9
Cost of goods sold	1,370.4	1,614.4	1,385.0
Gross profit	872.5	1,070.4	1,029.9
Selling, general and administrative expenses	856.2	906.4	817.8
Gain on sale of businesses, trademarks and long-lived assets	(90.4)	(90.0)	—
Impairment of long-lived assets	185.3	428.7	—
Environmental and other related costs (income), net of recoveries	(10.4)	33.7	56.4
Operating profit (loss)	(68.2)	(208.4)	155.7
Other expenses:			
Interest expense, net	63.5	47.3	37.4
Debt extinguishment and other costs	—	—	34.3
Other expense (income), net	2.5	(2.8)	3.7
Total other expenses	66.0	44.5	75.4
Earnings (loss) before income taxes	(134.2)	(252.9)	80.3
Income tax expense (benefit)	(95.0)	(63.8)	13.3
Net earnings (loss)	(39.2)	(189.1)	67.0
Less: net earnings (loss) attributable to noncontrolling interests	0.4	(0.8)	(1.6)
Net earnings (loss) attributable to Wolverine World Wide, Inc.	\$ (39.6)	\$ (188.3)	\$ 68.6
Net earnings (loss) per share (see Note 3):			
Basic	\$ (0.51)	\$ (2.37)	\$ 0.82
Diluted	\$ (0.51)	\$ (2.37)	\$ 0.81

See accompanying notes to consolidated financial statements.

**WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income (Loss)**

(In millions)	Fiscal Year		
	2023	2022	2021
Net earnings (loss)	\$ (39.2)	\$ (189.1)	\$ 67.0
Other comprehensive income (loss) net of tax:			
Foreign currency translation adjustments	17.3	(76.8)	(20.0)
Unrealized gain (loss) on derivative instruments:			
Unrealized gain (loss) arising during the period, net of taxes of \$(1.4), \$7.9 and \$3.0	(4.8)	25.4	7.7
Reclassification adjustments included in net earnings (loss), net of taxes of \$(4.6), \$(4.7) and \$1.4	(14.2)	(14.6)	3.7
Pension adjustments:			
Net actuarial gain (loss) arising during the period, net of taxes of \$(2.0), \$6.3 and \$7.8	(7.5)	22.6	29.5
Amortization of prior actuarial losses, net of taxes of \$(0.2), \$2.4 and \$3.0	(0.5)	8.9	10.8
Curtailment gain, net of taxes of \$0.3 in 2023	0.9	—	—
Other comprehensive income (loss)	(8.8)	(34.5)	31.7
Less: other comprehensive income (loss) attributable to noncontrolling interests	0.5	(0.5)	—
Other comprehensive income (loss) attributable to Wolverine World Wide, Inc.	(9.3)	(34.0)	31.7
Comprehensive income (loss)	(48.0)	(223.6)	98.7
Less: comprehensive income (loss) attributable to noncontrolling interests	0.9	(1.3)	(1.6)
Comprehensive income (loss) attributable to Wolverine World Wide, Inc.	<u>\$ (48.9)</u>	<u>\$ (222.3)</u>	<u>\$ 100.3</u>

See accompanying notes to consolidated financial statements.

**WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**

(In millions, except share data)	December 30, 2023	December 31, 2022
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 179.0	\$ 131.5
Accounts receivable, less allowances of \$18.3 and \$11.1	230.8	241.7
Finished products, net	371.6	743.2
Raw materials and work-in-process, net	2.0	2.0
Total inventories	373.6	745.2
Prepaid expenses and other current assets	81.1	79.0
Current assets held for sale	160.6	67.9
Total current assets	1,025.1	1,265.3
Property, plant and equipment, net of accumulated depreciation of \$255.2 and \$236.1	96.3	136.2
Lease right-of-use assets	118.2	174.7
Goodwill	427.1	485.0
Indefinite-lived intangibles	174.1	274.0
Amortizable intangibles, net	34.9	67.4
Deferred income taxes	116.4	24.5
Other assets	70.7	65.6
Total assets	\$ 2,062.8	\$ 2,492.7
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 206.0	\$ 272.2
Accrued salaries and wages	37.1	32.3
Other accrued liabilities	252.4	322.9
Lease liabilities	34.7	39.1
Current maturities of long-term debt	10.0	10.0
Borrowings under revolving credit agreements	305.0	425.0
Current liabilities held for sale	24.2	8.8
Total current liabilities	869.4	1,110.3
Long-term debt, less current maturities	605.8	723.0
Accrued pension liabilities	78.4	72.9
Deferred income taxes	26.9	35.3
Lease liabilities, noncurrent	132.4	153.6
Other liabilities	49.9	58.6
Stockholders' equity		
Common stock – par value \$1, authorized 320,000,000 shares; 112,953,782, and 112,202,078 shares issued	113.0	112.2
Additional paid-in capital	364.0	325.4
Retained earnings	834.8	907.2
Accumulated other comprehensive loss	(142.2)	(132.9)
Cost of shares in treasury; 33,403,280, and 33,413,204 shares	(891.0)	(891.3)
Total Wolverine World Wide, Inc. stockholders' equity	278.6	320.6
Noncontrolling interest	21.4	18.4
Total stockholders' equity	300.0	339.0
Total liabilities and stockholders' equity	\$ 2,062.8	\$ 2,492.7

See accompanying notes to consolidated financial statements.



**WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**

(In millions)	Fiscal Year		
	2023	2022	2021
<b>OPERATING ACTIVITIES</b>			
Net earnings (loss)	\$ (39.2)	\$ (189.1)	\$ 67.0
Adjustments to reconcile net earnings (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	35.1	34.6	33.2
Deferred income taxes	(95.8)	(105.7)	(14.7)
Stock-based compensation expense	15.2	33.4	38.1
Pension and SERP expense	0.7	9.3	14.0
Debt extinguishment	—	—	5.8
Impairment of long-lived assets	185.3	428.7	—
Environmental and other related costs	(55.1)	(23.0)	33.7
Gain on sale of businesses, trademarks and long-lived assets	(90.4)	(90.0)	—
Other	(2.0)	(2.7)	(1.9)
Changes in operating assets and liabilities:			
Accounts receivable	2.8	84.5	(49.2)
Inventories	286.5	(428.9)	(77.2)
Other operating assets	(16.8)	(21.1)	(2.3)
Accounts payable	(65.6)	62.6	23.0
Income taxes	(2.3)	2.4	1.6
Other operating liabilities	(36.6)	26.1	15.7
Net cash provided by (used in) operating activities	121.8	(178.9)	86.8
<b>INVESTING ACTIVITIES</b>			
Business acquisition, net of cash acquired	—	—	(417.4)
Additions to property, plant and equipment	(14.6)	(36.5)	(17.6)
Investment in joint ventures	—	(2.8)	—
Proceeds from sale of businesses, trademarks and long-lived assets	188.9	90.0	—
Other	(2.7)	3.9	(2.3)
Net cash provided by (used in) investing activities	171.6	54.6	(437.3)
<b>FINANCING ACTIVITIES</b>			
Payments under revolving credit agreements	(743.0)	(740.0)	(435.0)
Borrowings under revolving credit agreements	623.0	940.0	660.0
Proceeds from company-owned life insurance policies	—	30.5	—
Borrowings of long-term debt	—	—	750.0
Payments on long-term debt	(118.3)	(10.0)	(730.0)
Payments of debt issuance and debt extinguishment costs	(0.9)	—	(10.4)
Cash dividends paid	(32.6)	(32.8)	(33.5)
Purchase of common stock for treasury	—	(81.3)	(39.6)
Employee taxes paid under stock-based compensation plans	(5.8)	(7.7)	(14.1)
Proceeds from the exercise of stock options	0.1	1.4	17.1
Contributions from noncontrolling interests	31.2	7.0	4.8
Net cash provided by (used in) financing activities	(246.3)	107.1	169.3
Effect of foreign exchange rate changes	2.0	(9.0)	(4.5)
Increase (decrease) in cash and cash equivalents	49.1	(26.2)	(185.7)
Cash and cash equivalents at beginning of the year	135.5	161.7	347.4
Cash and cash equivalents at end of the year	\$ 184.6	\$ 135.5	\$ 161.7

See accompanying notes to consolidated financial statements.

**WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows – continued**

(In millions)	Fiscal Year		
	2023	2022	2021
<b>OTHER CASH FLOW INFORMATION</b>			
Interest paid	\$ 63.5	\$ 43.0	\$ 34.6
Net income taxes paid	27.0	44.3	27.8
<b>NON-CASH INVESTING AND FINANCING ACTIVITY</b>			
Additions to property, plant and equipment not yet paid	0.3	3.3	3.2

See accompanying notes to consolidated financial statements.

Cash and cash equivalents at the end of the year in the Consolidated Statements of Cash Flows includes \$5.6 million and \$4.0 million of cash and cash equivalents that are classified as held for sale as of December 30, 2023 and December 31, 2022, respectively, that are not included in cash and cash equivalents in the Consolidated Balance Sheets.

**WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Stockholders' Equity**

	Wolverine World Wide, Inc. Stockholders' Equity						
(In millions, except share and per share data)	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Non-controlling Interest	Total
Balance at January 2, 2021	\$ 110.4	\$ 252.6	\$ 1,093.3	\$ (130.6)	\$ (764.3)	\$ 11.6	\$ 573.0
Net earnings (loss)			68.6			(1.6)	67.0
Other comprehensive income				31.7		—	31.7
Shares forfeited, net of shares issued under stock incentive plans (431,180 shares)	0.4	(8.2)					(7.8)
Shares issued for stock options exercised, net (774,145 shares)	0.8	16.4					17.2
Stock-based compensation expense		38.1					38.1
Cash dividends declared (\$0.40 per share)			(33.7)				(33.7)
Issuance of treasury shares (4,005 shares)		—			0.1		0.1
Purchase of common stock for treasury (1,150,721 shares)					(39.6)		(39.6)
Purchases of shares under stock-based compensation plans (172,023 shares)					(6.4)		(6.4)
Capital contribution from noncontrolling interests						4.8	4.8
Balance at January 1, 2022	\$ 111.6	\$ 298.9	\$ 1,128.2	\$ (98.9)	\$ (810.2)	\$ 14.8	\$ 644.4
Net loss			(188.3)			(0.8)	(189.1)
Other comprehensive loss				(34.0)		(0.5)	(34.5)
Shares issues, net of shares forfeited under stock incentive plans (495,502 shares)	0.5	(8.2)					(7.7)
Shares issued for stock options exercised, net (74,482 shares)	0.1	1.3					1.4
Stock-based compensation expense		33.4					33.4
Cash dividends declared (\$0.40 per share)			(32.7)				(32.7)
Issuance of treasury shares (5,973 shares)		—			0.2		0.2
Purchase of common stock for treasury (3,815,164 shares)					(81.3)		(81.3)
Capital contribution from noncontrolling interests						7.0	7.0
Other						(2.1)	(2.1)
Balance at December 31, 2022	\$ 112.2	\$ 325.4	\$ 907.2	\$ (132.9)	\$ (891.3)	\$ 18.4	\$ 339.0

See accompanying notes to consolidated financial statements.

**WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Stockholders' Equity – continued**

	Wolverine World Wide, Inc. Stockholders' Equity						
(In millions, except share and per share data)	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Non- controlling Interest	Total
Balance at December 31, 2022	\$ 112.2	\$ 325.4	\$ 907.2	\$ (132.9)	\$ (891.3)	\$ 18.4	\$ 339.0
Net earnings (loss)			(39.6)			0.4	(39.2)
Other comprehensive income (loss)				(9.3)		0.5	(8.8)
Shares issued, net of shares forfeited under stock incentive plans (745,662 shares)	0.8	(6.7)					(5.9)
Shares issued for stock options exercised, net (6,042 shares)	—	0.1					0.1
Stock-based compensation expense		15.2					15.2
Cash dividends declared (\$0.40 per share)			(32.8)				(32.8)
Issuance of treasury shares (9,924 shares)		(0.1)			0.3		0.2
Capital contribution from noncontrolling interests		30.1				2.1	32.2
Balance at December 30, 2023	\$ 113.0	\$ 364.0	\$ 834.8	\$ (142.2)	\$ (891.0)	\$ 21.4	\$ 300.0

See accompanying notes to consolidated financial statements.

## WOLVERINE WORLD WIDE, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

Fiscal Years 2023, 2022 and 2021

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Nature of Operations

Wolverine World Wide, Inc. (the "Company") is a leading designer, marketer and licensor of a broad range of quality casual footwear and apparel; performance outdoor and athletic footwear and apparel; kids' footwear; industrial work shoes, boots and apparel; and uniform shoes and boots. The Company's portfolio of owned and licensed brands includes: *Bates*®, *Cat*®, *Chaco*®, *Harley-Davidson*®, *Hush Puppies*®, *HYTEST*®, *Merrell*®, *Saucony*®, *Sperry*®, *Stride Rite*®, *Sweaty Betty*® and *Wolverine*®. The Company's products are marketed worldwide through owned operations, through licensing and distribution arrangements with third parties, and through joint ventures. The Company also operates retail stores and eCommerce sites to market both its own brands and branded footwear and apparel from other manufacturers.

Effective February 4, 2023, the Company completed the sale of the *Keds*® business. See Note 20 for further discussion.

In the third quarter of fiscal 2023, the Company entered into a multi-year licensing agreement of the *Hush Puppies*® brand in the United States and Canada. As part of this agreement, the Company agreed to sell inventory and provide certain transition services to the licensee. In addition, the Company completed the sale of *Hush Puppies*® trademarks, patents, copyrights, and domains in China, Hong Kong, and Macau in the third quarter of fiscal 2023. The Company will continue to own the *Hush Puppies*® brand throughout the rest of the world. See Note 20 for further discussion.

Effective August 23, 2023, the Company completed the sale of the U.S. performance leathers business and effective December 28, 2023, the Company completed the sale of the Asia-based performance leathers business. See Note 20 for further discussion.

##### Principles of Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of Wolverine World Wide, Inc. and its majority-owned subsidiaries (collectively, the "Company") and any variable interest entities for which we are the primary beneficiary. All intercompany accounts and transactions have been eliminated in consolidation.

##### Fiscal Year

The Company's fiscal year is the 52- or 53-week period that ends on the Saturday nearest to December 31. Fiscal years 2023, 2022 and 2021 each had 52 weeks.

##### Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

##### Revenue Recognition

The Company recognizes revenue in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, *Revenue from Contracts with Customers*. Revenue is recognized upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration to be received in exchange for those goods or services. The Company identifies the performance obligation in the contract, determines the transaction price, allocates the transaction price to the performance obligations and recognizes revenue upon completion of the performance obligation.

Control of the Company's goods and services, and associated revenue, are transferred to customers at a point in time. The Company's contract revenue consists of wholesale revenue and direct-to-consumer revenue. Wholesale revenue is recognized for products sourced by the Company when control transfers to the customer generally occurring upon the shipment or delivery of branded products to the customer. Direct-to-consumer includes eCommerce revenue that is recognized for products sourced by the Company when control transfers to the customer once the related goods have been shipped and retail store revenue is recognized at time of sale. The shipment of goods, or point of purchase for retail store sales, was evaluated to best represent when control transfers based on the Company's right of payment for the goods, the customer's legal title to the asset, the transfer of physical possession and the customer having the risks and rewards of the goods.

Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities. Shipping and handling costs that are charged to and reimbursed by a customer are recognized as revenue, while the related

expenses incurred by the Company are recorded as cost of goods sold. The Company has elected the practical expedient to treat shipping and handling activities that occur after control of the goods transfers to the customer as fulfillment activities.

Payment terms for the Company's revenue vary by sales channel. Standard credit terms apply to the Company's wholesale receivables, while payment is rendered at the time of sale within the direct-to-consumer channel. The timing of revenue recognition, billings and cash collections results in billed accounts receivable (contract assets), and customer advances (contract liabilities) on the consolidated balance sheets. Generally, billing occurs commensurate to revenue recognition resulting in contract assets. See Note 6 for additional information.

### **Cost of Goods Sold**

Cost of goods sold includes the actual product costs, including inbound freight charges and certain outbound freight charges, purchasing, sourcing, inspection and receiving costs. Warehousing costs are included in selling, general and administrative expenses.

### **Advertising Costs**

Advertising costs are expensed as incurred, except for certain materials that are expensed the first time that the advertising takes place. Advertising expenses were \$169.3 million, \$220.7 million and \$195.4 million for fiscal years 2023, 2022 and 2021, respectively. Prepaid advertising totaled \$2.6 million and \$2.7 million as of December 30, 2023 and December 31, 2022, respectively.

### **Earnings Per Share**

The Company calculates earnings per share in accordance with FASB ASC Topic 260, *Earnings Per Share* ("ASC 260"). ASC 260 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting, and, therefore, need to be included in the earnings allocation in computing earnings per share under the two-class method. Under the guidance in ASC 260, the Company's unvested share-based payment awards that contain non-forfeitable rights to dividends, whether paid or unpaid, are participating securities and must be included in the computation of earnings per share pursuant to the two-class method.

### **Cash Equivalents**

Cash equivalents include highly liquid investments with an original maturity of three months or less. Cash equivalents are stated at cost, which approximates fair value.

### **Allowance for Credit Losses**

The Company maintains an allowance for credit losses on accounts receivable that represents estimated losses resulting from its customers' failure to make required payments. Company management evaluates the allowance for credit losses based on a review of current customer status and historical collection experience along with current and reasonable supportable forecasts of future economic conditions.

### **Inventories**

The Company values its inventory at the lower of cost or net realizable value. Cost is determined by the LIFO method for certain domestic finished product inventories. Cost is determined using the FIFO method for all raw materials, work-in-process and finished product inventories in foreign countries and certain domestic finished product inventories. The average cost of inventory is used for finished product inventories of the Company's direct-to-consumer business and *Sweaty Betty*<sup>®</sup> inventory. The Company has applied these inventory cost valuation methods consistently from year to year.

The Company reduces the carrying value of its inventories to the lower of cost or net realizable value for excess or obsolete inventories based upon assumptions about future demand and market conditions. If the Company were to determine that the estimated realizable value of its inventory is less than the carrying value of such inventory, the Company would provide a reserve for such difference as a charge to cost of sales. If actual market conditions are different from those projected, adjustments to those inventory reserves may be required. The adjustments would increase or decrease the Company's cost of sales and net income in the period in which they were realized or recorded. Inventory quantities are verified at various times throughout the year by performing physical inventory counts and subsequently comparing those results to perpetual inventory balances. If the Company determines that adjustments to the inventory quantities are appropriate, an adjustment to the Company's cost of goods sold and inventory is recorded in the period in which such determination was made.

### **Property, Plant and Equipment**

Property, plant and equipment are stated on the basis of cost and include expenditures for buildings, leasehold improvements, furniture and fixtures, material handling systems, equipment and computer hardware and software. Normal repairs and

maintenance are expensed as incurred. Depreciation of property, plant and equipment is computed using the straight-line method. The depreciable lives range from 14 to 20 years for buildings, from 5 to 15 years for leasehold improvements, from 3 to 10 years for furniture, fixtures and equipment and from 3 to 10 years for software.

## **Leases**

The Company's leases consist primarily of corporate offices, retail stores, distribution centers, showrooms, vehicles and office equipment. The Company leases assets in the normal course of business to meet its current and future needs while providing flexibility to its operations. The Company enters into contracts with third parties to lease specifically identified assets. Most of the Company's leases have contractually specified renewal periods. Most retail store leases have early termination clauses that the Company can elect if stipulated sales amounts are not achieved. The Company determines the lease term for each lease based on the terms of each contract and factors in renewal and early termination options if such options are reasonably certain to be exercised.

Under FASB ASC Topic 842, *Leases*, the Company has elected the practical expedient to account for lease components and nonlease components associated with individual leases as a single lease component for all of its leases. In addition, the Company has elected to account for multiple lease components as a single lease component. The Company's leases may include variable lease costs such as payments based on changes to an index, payments based on a percentage of retail store sales, and maintenance, utilities, shared marketing or other service costs that are paid directly to the lessor under terms of the lease. The Company recognizes variable lease payments when the amounts are incurred and determinable. The Company has elected to account for leases of less than one year as short-term leases and accordingly does not recognize a right-of-use asset or lease liability for these leases. The Company recognizes rent expense on a straight-line basis over the lease term.

The Company subleases certain portions of leased offices and distribution centers that exceed the Company's current operational needs. Since the Company utilizes the majority of the leased space and retains the obligation to the lessor, the underlying leases continue to be accounted for as operating leases. Sublease income is recognized on a straight-line basis over the term of the sublease and is recognized in other expense (income), net on the consolidated statements of operations.

The Company recognizes a lease liability in current and noncurrent liabilities equal to the present value of the fixed future lease payments using an incremental borrowing rate as of the commencement date of each lease. The incremental borrowing rate is based on an interest rate that the Company would normally pay to borrow on a collateralized basis over a similar term and an amount equal to the lease payments. The Company also recognizes a right-of-use asset, which is equal to the lease liability as of December 30, 2023 adjusted for the remaining balance of accrued rent and unamortized lease incentives.

## **Deferred Financing Costs**

Deferred financing costs represent commitment fees, legal and other third-party costs associated with obtaining commitments for financing that result in a closing of such financings for the Company. Deferred financing costs related to fixed term borrowings are recorded as a reduction of long-term debt in the consolidated balance sheet. Deferred financing costs related to revolving credit facilities are recorded as an other noncurrent asset in the consolidated balance sheet. These costs are amortized into earnings through interest expense over the terms of the respective agreements.

## **Derivatives**

The Company follows FASB ASC Topic 815, *Derivatives and Hedging* ("ASC 815"), which requires that all derivative instruments be recorded on the consolidated balance sheets at fair value by establishing criteria for designation and effectiveness of hedging relationships. The Company does not hold or issue financial instruments for trading purposes. Refer to Note 11 for further discussion regarding the Company's derivative arrangements and derivative accounting.

## **Equity Method Investments**

Equity method investments where the Company owns a non-controlling interest, but exercises significant influence, are accounted for under the equity method of accounting. The Company's original cost of investment is adjusted for the Company's share of equity in the earnings of the equity investee.

## **Goodwill and Other Intangibles**

Goodwill represents the excess of the purchase price over the fair value of net tangible and identifiable intangible assets of acquired businesses. Indefinite-lived intangibles include trademarks and trade names. Goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to impairment tests at least annually. The Company reviews the carrying amounts of goodwill and indefinite-lived intangible assets by reporting unit at least annually, or when indicators of impairment are present, to determine if such assets may be impaired. The Company includes assumptions such as a discount rate and expected future operating performance, which includes forecasted revenue growth, earnings before interest, taxes, depreciation and amortization ("EBITDA") margin and cost of capital, which are derived from internal projections and operating plans, as

part of a discounted cash flow analysis to estimate fair value. If the carrying value of these assets is not recoverable, based on the discounted cash flow analysis, management compares the fair value of the assets to the carrying value. Goodwill and indefinite-lived intangibles are considered impaired if the recorded value exceeds the fair value.

The Company may first assess qualitative factors to determine whether it is more likely than not that the fair value of goodwill and indefinite-lived intangible asset are less than their carrying value. The Company would not be required to quantitatively determine the fair value unless the Company determines, based on the qualitative assessment, that it is more likely than not that its fair value is less than the carrying value.

The Company performs its annual testing for goodwill and indefinite-lived intangible asset impairment at the beginning of the fourth quarter of the fiscal year for all reporting units. See Note 4 for information related to the results of the Company's annual test.

### Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or an asset group may not be recoverable. Each impairment test is based on a comparison of the carrying amount of the asset or asset group to the future undiscounted net cash flows expected to be generated by the asset or asset group. If such assets are considered to be impaired, the impairment amount to be recognized is the amount by which the carrying value of the assets exceeds their fair value.

The Company recorded \$37.3 million in non-cash impairment charges on certain Corporate U.S. and U.K. office long-lived property, plant and equipment and right-of-use assets, primarily resulting from divestitures and consolidation of U.S. and U.K. offices, to adjust the carrying amount of the assets to estimated fair value. Fair value was estimated based on the discounted cash flows of estimated rental income from subleases net of estimated expenses. The Company incurred \$1.9 million in non-cash impairment charges on certain *Sperry*<sup>®</sup> retail store assets where the estimated future cash flows did not support the net book value of the assets. The following table provides details related to asset impairment charges recorded during 2023:

(In millions)	December 30, 2023
Lease right-of-use assets impairment	\$ 28.6
Property, plant and equipment impairment	10.6
Indefinite-lived trade name impairment <sup>(1)</sup>	38.3
Held for sale impairment of carrying value <sup>(2)</sup>	96.8
Impairment of <i>Sperry</i> <sup>®</sup> assets not sold <sup>(2)</sup>	11.0
Total impairment of long-lived assets	\$ 185.3

(1) See Note 4 for information related to the Indefinite-lived trade name impairment recorded in fiscal 2023.

(2) See Note 20 for information related to the held for sale carrying value impairment and impairment of *Sperry*<sup>®</sup> assets not sold recorded in fiscal 2023.

### Fair Value of Financial Instruments

The Company follows FASB ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"), which provides a consistent definition of fair value, focuses on exit price, prioritizes the use of market-based inputs over entity-specific inputs for measuring fair value and establishes a three-tier hierarchy for fair value measurements. ASC 820 requires fair value measurements to be classified and disclosed in one of the following three categories:

- Level 1: Fair value is measured using quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Fair value is measured using either direct or indirect inputs, other than quoted prices included within Level 1, which are observable for similar assets or liabilities.
- Level 3: Fair value is measured using valuation techniques in which one or more significant inputs are unobservable.

### Environmental

The Company establishes a reserve for estimated environmental remediation costs based upon the evaluation of currently-available facts with respect to each individual affected site. The costs are recorded on an undiscounted basis when they are probable and reasonably estimable, generally no later than the completion of feasibility studies, the Company's commitment to a plan of action, or approval by regulatory agencies. Liabilities for estimated costs of environmental remediation are based primarily upon third-party environmental studies, other internal analysis and the extent of the contamination and the nature of



required remedial actions at each site. The Company records adjustments to the estimated costs if there are changes in the scope of the required remediation activity, extent of contamination, governmental regulations or remediation technologies. Environmental costs relating to existing conditions caused by past operations that do not contribute to current or future revenues are expensed as incurred.

Assets related to potential recoveries from other responsible parties are recognized when a definitive agreement is reached and collection of cash is realizable. Recoveries of covered losses under insurance policies are recognized only when realization of the claim is deemed probable.

The Company is subject to legal proceedings and claims related to the environmental matters described in Note 17. The Company routinely assesses the legal and factual circumstances of each matter and the likelihood of any adverse outcomes in these matters, as well as ranges of possible losses. Assessments of lawsuits and claims can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions. The Company accrues an estimated liability for legal proceeding claims that are both probable and estimable and reserves may change in future periods due to new developments in each matter. For further discussion, refer to Note 17.

### **Retirement Benefits**

The determination of the obligation and expense for retirement benefits is dependent on the selection of certain actuarial assumptions used in calculating such amounts. These assumptions include, among others, the discount rate, expected long-term rate of return on plan assets, mortality rates and rates of increase in compensation. These assumptions are reviewed with the Company's actuaries and updated annually based on relevant external and internal factors and information, including, but not limited to, long-term expected asset returns, rates of termination, regulatory requirements and plan changes. See Note 13 for additional information. The Company has elected to measure its defined benefit plan assets and obligations as of December 31 of each year, regardless of the Company's actual fiscal year end date, which is the Saturday nearest to December 31.

### **Stock Based Compensation**

The Company accounts for stock-based compensation in accordance with the fair value recognition provisions of ASC Topic 718, *Compensation – Stock Compensation*. The Company generally grants restricted stock or units ("Restricted Awards"), performance-based restricted stock or units ("Performance Awards") and stock options under its stock-based compensation plans. All stock-based awards are accounted for based on their respective grant date fair values. Compensation cost for all awards expected to vest is recognized over the vesting period, including accelerated recognition for retirement-eligible employees.

### **Income Taxes**

The provision for income taxes is based on the geographic dispersion of the earnings reported in the consolidated financial statements. A deferred income tax asset or liability is determined by applying currently-enacted tax laws and rates to the cumulative temporary differences between the carrying values of assets and liabilities for financial statement and income tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date. A valuation allowance is recorded to reduce deferred tax assets to the amount that is more likely than not to be realized. In the event the Company determines it is more likely than not that the deferred tax assets will not be realized in the future, the valuation allowance adjustment to the deferred tax assets will be charged to earnings in the period in which the Company makes such a determination. The Company includes Global Intangible Low Tax Income ("GILTI") as a current period tax expense when incurred.

The Company records an increase in liabilities for income tax accruals associated with tax benefits claimed on tax returns but not recognized for financial statement purposes (unrecognized tax benefits). In determining whether an uncertain tax position exists, the Company determines, based solely on its technical merits, whether the tax position is more likely than not to be sustained upon examination, and if so, a tax benefit is measured on a cumulative probability basis that is more likely than not to be realized upon the ultimate settlement. The Company recognizes interest and penalties related to unrecognized tax benefits through interest expense and income tax expense, respectively.

### **Foreign Currency**

For most of the Company's international subsidiaries, the local currency is the functional currency. Assets and liabilities of these subsidiaries are translated into U.S. dollars at the year-end exchange rate. Operating statement amounts are translated at average exchange rates for each period. The cumulative translation adjustments resulting from changes in exchange rates are included in the consolidated balance sheets as a component of accumulated other comprehensive income (loss) in stockholders' equity. Transaction gains and losses are included in the consolidated statements of operations and were not material for fiscal years 2023, 2022 and 2021.

## Business Combination

The Company accounts for business combinations using the acquisition method of accounting, which requires that once control is obtained, the consolidated financial statements reflect the operations of an acquired business starting from the acquisition date.

All assets acquired and liabilities assumed are recorded at fair value as of the acquisition date. The Company allocates the purchase price of an acquired business to the fair values of the tangible and identifiable intangible assets acquired and liabilities assumed, with any excess purchase price recorded as goodwill. Contingent consideration, if any, is included in the purchase price and is recognized at its fair value on the acquisition date. During the measurement period, which is up to one year from the acquisition date, adjustments to the assets acquired and liabilities assumed may be recorded, with the corresponding offset to goodwill.

The determination of fair values of identifiable assets and liabilities requires estimates and the use of valuation techniques and requires management to make judgments that may involve the use of significant estimates. For intangible assets acquired in a business combination, the Company typically uses the income method. Significant estimates used in valuing certain intangible assets include, but are not limited to, the amount and timing of future cash flows, growth rates and discount rates, among other items. If the actual results differ from the estimates and judgments used, the amounts recorded in the Consolidated Financial Statements may be exposed to potential impairment of the intangible assets and goodwill as discussed in the "Goodwill and Indefinite-Lived Intangibles" accounting policy.

## 2. NEW ACCOUNTING STANDARDS

The FASB has issued the following Accounting Standards Update ("ASU") that the Company has adopted. The following is a summary of the new standard.

Standard	Description	Effect on the Financial Statements
ASU 2020-04, Reference Rate Reform (Topic 848); Facilitation of the Effects of Reference Rate Reform on Financial Reporting (as amended by ASU 2021-01 and ASU 2022-06).	Provides practical expedients for contract modifications and certain hedging relationships associated with the transition from reference rates that are expected to be discontinued.	The Company adopted ASU 2020-04 during the second quarter of 2023 on a prospective basis. The Company amended its amended senior credit facility to use SOFR as an alternative to LIBOR. The adoption of the ASU did not have a material effect on the consolidated financial statements.

The FASB has issued the following Accounting Standards Updates ("ASU") that the Company has not yet adopted. The following is a summary of the new standard and anticipated impact of adopting these new standards.

Standard	Description	Effect on the Financial Statements
ASU 2023-07, Improvements to Reportable Segment Disclosures	Requires entities disclose on an annual and interim basis significant segment expense, including an amount and composition description for other segment items, and how reported measures of profit or loss are used by the chief operating decision maker in assessing segment performance and deciding how to allocate resources. The ASU is effective on a retrospective basis for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024.	The Company is evaluating the impact of the new standard on its Consolidated Financial Statements.
ASU 2023-09, Improvements to Income Tax Disclosures	The ASU requires annual disclosures of prescribed standard categories for the components of the effective tax rate reconciliation, disclosure of income taxes paid disaggregated by jurisdiction, and other income-tax related disclosures. The ASU is effective on a prospective basis, with retrospective application permitted, for fiscal years after December 15, 2024.	The Company is evaluating the impact of the new standard on its Consolidated Financial Statements.

### 3. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

(In millions, except per share data)	Fiscal Year		
	2023	2022	2021
<b>Numerator:</b>			
Net earnings (loss) attributable to Wolverine World Wide, Inc.	\$ (39.6)	\$ (188.3)	\$ 68.6
Less: net earnings attributed to participating share-based awards	(0.7)	(0.6)	(1.1)
Net earnings (loss) used to calculate earnings per share	<u>\$ (40.3)</u>	<u>\$ (188.9)</u>	<u>\$ 67.5</u>
<b>Denominator:</b>			
Weighted average shares outstanding	79.4	79.7	82.4
Adjustment for unvested restricted common stock	—	—	(0.1)
Shares used to calculate basic earnings per share	<u>79.4</u>	<u>79.7</u>	<u>82.3</u>
Effect of dilutive share-based awards	—	—	1.0
Shares used to calculate diluted earnings per share	<u>79.4</u>	<u>79.7</u>	<u>83.3</u>
<b>Net earnings (loss) per share:</b>			
Basic	\$ (0.51)	\$ (2.37)	\$ 0.82
Diluted	<u>\$ (0.51)</u>	<u>\$ (2.37)</u>	<u>\$ 0.81</u>

For fiscal years 2023, 2022 and 2021, 2,022,676, 1,434,081 and 605,774 outstanding stock options, respectively, have not been included in the denominator for the computation of diluted earnings per share because they were anti-dilutive.

The Company has 2,000,000 authorized shares of \$1 par value preferred stock, none of which was issued or outstanding as of December 30, 2023 or December 31, 2022. The Company has designated 150,000 shares of preferred stock as Series A junior participating preferred stock and 500,000 shares of preferred stock as Series B junior participating preferred stock for possible future issuance.

The Company did not repurchase Company common stock in fiscal year 2023, The Company repurchased \$81.3 million and \$39.6 million of Company common stock in fiscal years 2022 and 2021, respectively, under stock repurchase plans. In addition to the stock repurchase program activity, the Company acquired \$5.8 million, \$7.7 million and \$14.1 million of Company common stock in fiscal years 2023, 2022 and 2021, respectively, in connection with employee transactions related to stock incentive plans.

On February 11, 2019, the Company's Board of Directors approved a common stock repurchase program that authorizes the repurchase of an additional \$400.0 million of common stock over a four year period incremental to amounts remaining under the previous repurchase program. The annual amount of stock repurchases is restricted under the terms of the Company's Senior Credit Facilities and senior notes indenture. The common stock repurchase program expired on September 11, 2023.

### 4. GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the carrying amount of goodwill are as follows:

(In millions)	Fiscal Year	
	2023	2022
Goodwill balance at beginning of the year	\$ 485.0	\$ 556.6
Sale of a business (see Note 20)	(20.4)	—
Impairment	—	(48.4)
Reclassified to assets held for sale <sup>(1)</sup>	(43.0)	—
Foreign currency translation effects	5.5	(23.2)
Goodwill balance at end of the year	<u>\$ 427.1</u>	<u>\$ 485.0</u>

<sup>(1)</sup> Represents goodwill associated with the *Sperry*® business classified as held for sale as of fiscal 2023, refer to Note 20.

The Company performs its annual testing for goodwill and indefinite-lived intangible asset impairment at the beginning of the fourth quarter of the fiscal year for all reporting units. In the fourth quarter of 2022, after completion of the annual impairment testing, the Company recorded a \$48.4 million impairment charge for *Sweaty Betty*® goodwill. The Company did not recognize

any impairment charges for goodwill during 2023 and 2021. For the *Sweaty Betty*<sup>®</sup> reporting unit included in the fiscal 2023 annual impairment test, the estimated fair value of the reporting unit exceeded the carrying value of by 5%.

The Company's indefinite-lived intangible assets, which comprise trade names and trademarks, totaled \$174.1 million and \$274.0 million as of December 30, 2023 and December 31, 2022, respectively. In the third quarter of 2023, due to the continued lower current year performance of the *Sperry*<sup>®</sup> brand, the Company determined that a triggering event had occurred requiring impairment testing of the *Sperry*<sup>®</sup> trade name. Based on the results of the impairment testing, the Company recognized impairment charges of \$38.3 million to the *Sperry*<sup>®</sup> trade name. The impairment charge was due to reductions in future cash flow assumptions mainly due to decreases in anticipated future performance and an increase in the discount rate used in the valuation. In the fourth quarter of fiscal 2022, after the completion of the annual impairment testing, the Company recognized impairment charges of \$191.0 million and \$189.3 million to the *Sperry*<sup>®</sup> and *Sweaty Betty*<sup>®</sup> trade names, respectively.

The *Sperry*<sup>®</sup> and *Sweaty Betty*<sup>®</sup> trade names were valued using the income approach, specifically the multi-period excess earnings method. The key assumptions used in the valuation being revenue growth, EBITDA margin, and the discount rate. Although the Company believes the estimates and assumptions used in the valuation were appropriate, it is possible assumptions could change in future periods. The risk of future impairment to the *Sweaty Betty*<sup>®</sup> trade name and *Sweaty Betty*<sup>®</sup> goodwill depend on key assumptions used in the determination of the trade name's and reporting unit's fair value, such as revenue growth, earnings before interest, taxes, depreciation and amortization margin, discount rate, and assumed tax rate, or if macroeconomic conditions deteriorate and adversely affect the values of the Company's *Sweaty Betty*<sup>®</sup> trade name and the *Sweaty Betty*<sup>®</sup> reporting unit. A future impairment charge of the *Sweaty Betty*<sup>®</sup> trade name and the *Sweaty Betty*<sup>®</sup> reporting unit goodwill could have an adverse material effect on the Company's consolidated financial results. The carrying value of the Company's *Sweaty Betty*<sup>®</sup> trade name indefinite-lived intangible asset and the *Sweaty Betty*<sup>®</sup> reporting unit goodwill were \$99.5 million and \$53.0 million, respectively, as of December 30, 2023.

Amortizable intangible assets are amortized using the straight-line method over their estimated useful lives. The combined gross carrying values and accumulated amortization for these amortizable intangibles are as follows:

(In millions)	December 30, 2023			
	Gross carrying value	Accumulated amortization	Net	Average remaining life (years)
Customer relationships	\$ 59.6	\$ 28.1	\$ 31.5	9
Other	21.3	17.9	3.4	3
Total	<u>\$ 80.9</u>	<u>\$ 46.0</u>	<u>\$ 34.9</u>	

(In millions)	December 31, 2022			
	Gross carrying value	Accumulated amortization	Net	Average remaining life (years)
Customer relationships	\$ 118.4	\$ 55.2	\$ 63.2	10
Other	22.2	18.0	4.2	3
Total	<u>\$ 140.6</u>	<u>\$ 73.2</u>	<u>\$ 67.4</u>	

Amortization expense for these amortizable intangible assets was \$7.2 million, \$7.9 million and \$8.4 million for fiscal years 2023, 2022 and 2021, respectively. Estimated aggregate amortization expense for such intangibles for the fiscal years subsequent to December 30, 2023 is as follows:

(In millions)	2024	2025	2026	2027	2028
Amortization expense	\$ 4.6	\$ 4.3	\$ 4.0	\$ 3.7	\$ 3.4

## 5. ACCOUNTS RECEIVABLE

The Company and certain of its subsidiaries sell, on a continuous basis without recourse, their trade receivables to Rockford ARS, LLC ("Rockford ARS"), a wholly-owned bankruptcy-remote subsidiary of the Company. On December 7, 2022, Rockford ARS entered into a receivables purchase agreement ("RPA") to sell up to \$175.0 million of receivables to certain purchasers (the "Purchasers") on a recurring basis in exchange for cash (referred to as "capital" in the RPA) equal to the gross receivables transferred. The parties intend that the transfers of receivables to the Purchasers constitute purchases and sales of receivables. Rockford ARS has guaranteed to each Purchaser the prompt payment of sold receivables, and has granted a security interest in its assets for the benefit of the Purchasers. Under the RPA, which matures on December 5, 2025 each Purchaser's share of capital accrues yield at a floating rate plus an applicable margin. The Company is the master servicer under the RPA, and is responsible for administering and collecting receivables.

The proceeds of the RPA are classified as operating activities in the Company's Consolidated Statement of Cash Flows. Cash received from collections of sold receivables may be used to fund additional purchases of receivables on a revolving basis or to return all or any portion of outstanding capital of the Purchasers. Subsequent collections on the pledged receivables, which have not been sold, will be classified as operating cash flows at the time of collection. Total receivables sold under the RPA were \$613.9 million and \$218.2 million in fiscal years 2023 and 2022, and total cash collections under the RPA were \$662.7 million and \$75.5 million in fiscal years 2023 and 2022. The fair value of the sold receivables approximated book value due to their credit quality and short-term nature, and as a result, no gain or loss on sale of receivables was recorded.

As of the fiscal years ended December 30, 2023 and December 31, 2022, the amount sold to the Purchasers was \$93.9 million and \$142.7 million respectively, which was derecognized from the Consolidated Balance Sheets. As collateral against sold receivables, Rockford ARS maintains a certain level of unsold receivables, which was \$62.3 million and \$70.0 million as of the fiscal years ended December 30, 2023 and December 31, 2022 respectively.

## 6. REVENUE FROM CONTRACTS WITH CUSTOMERS

### Revenue Recognition and Performance Obligations

The Company reports disaggregated revenue for the wholesale and direct-to-consumer sales channels, which are reconciled to the Company's reportable segments. The wholesale channel includes royalty revenues, which operates in a similar manner as other wholesale revenues due to similar oversight and management, customer base, the performance obligation (footwear and apparel goods) and point in time completion of the performance obligation.

(in millions)	Fiscal Year		
	2023	2022	2021
<b>Active Group:</b>			
Wholesale	\$ 999.1	\$ 1,086.6	\$ 930.7
Direct-to-consumer	440.0	483.6	388.9
Total	1,439.1	1,570.2	1,319.6
<b>Work Group:</b>			
Wholesale	428.6	532.0	487.3
Direct-to-consumer	52.0	58.5	61.5
Total	480.6	590.5	548.8
<b>Other:</b>			
Wholesale	232.8	374.4	369.2
Direct-to-consumer	90.4	149.7	177.3
Total	323.2	524.1	546.5
<b>Total revenue</b>	<b>\$ 2,242.9</b>	<b>\$ 2,684.8</b>	<b>\$ 2,414.9</b>

The Company has agreements to license symbolic intellectual property with minimum guarantees or fixed consideration. The Company is due \$14.0 million of remaining fixed transaction price under its license agreements as of December 30, 2023, which it expects to recognize per the terms of its contracts over the course of time through December 2028. The Company has elected to omit the remaining variable consideration under its license agreements given the Company recognizes revenue equal to what it has the right to invoice and that amount corresponds directly with the value to the customer of the Company's performance to date.

### Reserves for Variable Consideration

Revenue is recorded at the net sales price ("transaction price"), which includes estimates of variable consideration for which reserves are established. Components of variable consideration include trade discounts and allowances, product returns, customer markdowns, customer rebates and other sales incentives relating to the sale of the Company's products. These reserves, as detailed below, are based on the amounts earned, or to be claimed on the related sales. These estimates take into consideration a range of possible outcomes, which are probability-weighted in accordance with the expected value method for relevant factors such as current contractual and statutory requirements, specific known market events and trends, industry data and forecasted customer buying and payment patterns. Overall these reserves reflect the Company's best estimates of the amount of consideration to which it is entitled based on the terms of the respective underlying contracts. Revenue recognized during fiscal years 2023 and 2022 related to the Company's contract liabilities was nominal.

The Company's contract balances are as follows:

(In millions)	December 30, 2023	December 31, 2022
Product returns reserve	\$ 13.1	\$ 15.3
Customer markdowns reserve	5.1	2.6
Other sales incentives reserve	4.2	3.3
Customer rebates liability	14.7	19.8
Customer advances liability	6.8	9.1

The amount of variable consideration included in the transaction price may be constrained and is included in the net sales price only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized under the contract will not occur in a future period. Actual amounts of consideration ultimately received may differ from initial estimates. If actual results in the future vary from initial estimates, the Company subsequently adjusts these estimates, which would affect net revenue and earnings in the period such variances become known.

#### ***Product Returns***

Consistent with industry practice, the Company offers limited product return rights for various return scenarios. The Company estimates the amount of product sales that may be returned by customers and records this estimate as a reduction of revenue in the period the related product revenue is recognized, and an offsetting increase to other accrued liabilities on the consolidated balance sheets. The Company believes there is sufficient current and historical information to record an estimate of the expected value of product returns although actual returns could differ from recorded amounts. The estimated cost of inventory for product returns is recorded in prepaid expenses and other current assets on the consolidated balance sheets. The estimated cost of inventory for product returns was \$6.1 million and \$6.7 million at December 30, 2023 and December 31, 2022, respectively.

#### ***Customer Markdowns***

Markdowns represent the estimated reserve resulting from commitments to sell products to the Company's customers at prices lower than the list prices charged to customers who directly purchase the product from the Company. Customers charge the Company for the difference between what they pay for the product and the ultimate selling price to the end consumer. The reserve is established in the same period that the related revenue is recognized, resulting in a reduction of product revenue and a reduction to trade receivables, net on the consolidated balance sheets.

#### ***Other Sales Incentives***

The Company accrues for other customer allowances for certain customers that purchase required volumes or meet other criteria. These reserves are established in the same period that the related revenue is recognized, resulting in a reduction of product revenue and a reduction to trade receivables, net on the consolidated balance sheets depending on the nature of the item.

#### ***Customer Rebates***

The Company accrues for customer rebates related to customers who purchase required volumes or meet other criteria. These reserves are established in the same period that the related revenue is recognized, resulting in a reduction of product revenue and an establishment of a current liability on the consolidated balance sheets.

#### ***Customer Advances***

The Company recognizes a liability for amounts received from customers before revenue is recognized. Customer advances are recognized in other accrued liabilities on the consolidated balance sheets.

## **7. INVENTORIES**

The Company used the LIFO method to value inventories of \$88.8 million and \$109.8 million at December 30, 2023 and December 31, 2022, respectively. During fiscal years 2023 and 2022, changes in the LIFO reserve increased cost of goods sold by \$1.3 million and \$3.0 million, respectively. If the FIFO method had been used, inventories would have been \$12.3 million and \$11.0 million higher than reported at December 30, 2023 and December 31, 2022, respectively.

## 8. DEBT

Total debt consists of the following obligations:

(In millions)	December 30, 2023	December 31, 2022
Term Facility, due October 21, 2026	\$ 71.7	\$ 190.0
Senior Notes, 4.000% interest, due August 15, 2029	550.0	550.0
Borrowings under revolving credit agreements	305.0	425.0
Unamortized deferred financing costs	(5.9)	(7.0)
Total debt	<u>\$ 920.8</u>	<u>\$ 1,158.0</u>

The Company's Credit Agreement provides for a term loan A facility (the "Term Facility") and for a revolving credit facility (the "Revolving Facility" and, together with the Term Facility, the "Senior Credit Facilities"). The maturity date of the loans under the Senior Credit Facilities is October 21, 2026. The Credit Agreement provides for a debt capacity of up to an aggregate debt amount (including outstanding term loan principal and revolver commitment amounts in addition to permitted incremental debt) not to exceed \$2.0 billion unless certain specified conditions set forth in the Credit Agreement are met.

The Term Facility requires quarterly principal payments with a balloon payment due on October 21, 2026. The scheduled principal payments due under the Term Facility over the next 12 months total \$10.0 million as of December 30, 2023 and are recorded as current maturities of long-term debt on the consolidated balance sheets. In addition, the Company made payments towards the Term Facility in accordance with disposition proceeds language contained in the Credit Agreement.

The Revolving Facility allows the Company to borrow up to an aggregate amount of \$1.0 billion. The Revolving Facility also includes a \$100.0 million swingline subfacility and a \$50.0 million letter of credit subfacility. The Company had outstanding letters of credit under the Revolving Facility of \$6.6 million and \$5.7 million as of December 30, 2023 and December 31, 2022, respectively. These outstanding letters of credit reduce the borrowing capacity under the Revolving Facility.

The interest rates applicable to amounts outstanding under Term Facility and to U.S. dollar denominated amounts outstanding under the Revolving Facility are, at the Company's option, either (1) the Alternate Base Rate plus an Applicable Margin as determined by the Company's Consolidated Leverage Ratio, within a range of 0.125% to 1.000%, or (2) the Eurocurrency Rate plus an Applicable Margin as determined by the Company's Consolidated Leverage Ratio, within a range of 1.125% to 2.000% (all capitalized terms used in this sentence are as defined in the Credit Agreement). At December 30, 2023, the Term Facility and the Revolving Facility had a weighted-average interest rate of 6.18%.

The obligations of the Company pursuant to the Credit Agreement are guaranteed by substantially all of the Company's material domestic subsidiaries and secured by substantially all of the personal and real property of the Company and its material domestic subsidiaries, subject to certain exceptions.

The Senior Credit Facilities also contain certain affirmative and negative covenants, including covenants that limit the ability of the Company and its Restricted Subsidiaries to, among other things: incur or guarantee indebtedness; incur liens; pay dividends or repurchase stock; enter into transactions with affiliates; consummate asset sales, acquisitions or mergers; prepay certain other indebtedness; or make investments, as well as covenants restricting the activities of certain foreign subsidiaries of the Company that hold intellectual property related assets. Further, the Senior Credit Facilities require compliance with the following financial covenants: a maximum Consolidated Leverage Ratio and a minimum Consolidated Interest Coverage Ratio (all capitalized terms used in this paragraph are as defined in the Senior Credit Facilities). As of December 30, 2023, the Company was in compliance with all covenants and performance ratios under the Senior Credit Facilities.

On June 30, 2023, the Company entered into the Fourth Amendment (the "Fourth Amendment") to its Credit Agreement, dated as of July 31, 2012. The Fourth Amendment provided the Company with near-term financial flexibility by adjusting the maximum Consolidated Leverage Ratio allowed under the Credit Agreement through the end of fiscal 2023. Financial covenant thresholds will revert to pre-existing levels in the first quarter of fiscal 2024.

On December 21, 2023, the Company entered into the Fifth amendment (the "Fifth Amendment") to its Credit Agreement, dated as of July 31, 2012. The Fifth Amendment provides the Company with additional allowable disposition capacity in fiscal 2023 and fiscal 2024 to support the Company's transformation.

The Company's \$550.0 million 4.000% senior notes issued on August 26, 2021 are due on August 15, 2029. Related interest payments are due semi-annually. The senior notes are guaranteed by substantially all of the Company's domestic subsidiaries.

The Company has a foreign revolving credit facility with aggregate available borrowings of \$2.0 million that are uncommitted and, therefore, each borrowing against the facility is subject to approval by the lender. There were no borrowings against this facility as of December 30, 2023 and December 31, 2022.

The Company included in interest expense the amortization of deferred financing costs of \$2.2 million, \$2.0 million, and \$2.3 million in fiscal years 2023, 2022 and 2021, respectively.

Annual maturities of debt for the fiscal years subsequent to December 30, 2023 are as follows:

(In millions)	2024	2025	2026	2027	2028	Thereafter
Annual maturities of debt	\$ 315.0	\$ 10.0	\$ 51.7	\$ —	\$ —	\$ 550.0

## 9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following:

(In millions)	December 30, 2023	December 31, 2022
Land	\$ 0.6	\$ 3.9
Buildings and leasehold improvements	110.0	121.8
Furniture, fixtures and equipment	169.6	170.2
Software	71.3	76.4
Gross cost	351.5	372.3
Less: accumulated depreciation	255.2	236.1
Property, plant and equipment, net	\$ 96.3	\$ 136.2

Depreciation expense was \$27.7 million, \$26.7 million and \$24.8 million for fiscal years 2023, 2022 and 2021, respectively.

## 10. LEASES

The following is a summary of the Company's lease cost.

(In millions)	Fiscal Year	
	2023	2022
Operating lease cost	\$ 40.4	\$ 36.0
Variable lease cost	13.8	14.5
Short-term lease cost	4.6	3.1
Sublease income	(6.0)	(8.3)
Total lease cost	\$ 52.8	\$ 45.3

The following is a summary of the Company's supplemental cash flow information related to leases.

(In millions)	Fiscal Year	
	2023	2022
Cash paid for operating lease liabilities	\$ 44.3	\$ 39.5
Operating lease assets obtained in exchange for lease liabilities	14.2	72.5



The weighted-average discount rate for operating leases as of December 30, 2023 is 5.3%. The weighted-average remaining lease term for operating leases as of December 30, 2023 is 7.6 years. Future undiscounted cash flows for operating leases for the fiscal periods subsequent to December 30, 2023 are as follows:

(In millions)	Operating Leases	
2023	\$	35.2
2024		31.7
2025		27.1
2026		23.5
2027		20.9
Thereafter		72.3
Total future payments		210.7
Less: imputed interest		43.6
Recognized lease liability	\$	167.1

The Company did not enter into any real estate leases with commencement dates subsequent to December 30, 2023.

## 11. DERIVATIVE FINANCIAL INSTRUMENTS

The Company utilizes foreign currency forward exchange contracts designated as cash flow hedges to manage the volatility associated primarily with U.S. dollar inventory purchases made by non-U.S. wholesale operations in the normal course of business. These foreign currency forward exchange hedge contracts extended out to a maximum of 531 days and 524 days as of December 30, 2023 and December 31, 2022, respectively. If, in the future, the foreign exchange contracts are determined not to be highly effective or are terminated before their contractual termination dates, the Company would remove the hedge designation from those contracts and reclassify into earnings the unrealized gains or losses that would otherwise be included in accumulated other comprehensive income (loss) within stockholders' equity.

The Company also utilizes foreign currency forward exchange contracts that are not designated as hedging instruments to manage foreign currency transaction exposure. Foreign currency derivatives not designated as hedging instruments are offset by foreign exchange gains or losses resulting from the underlying exposures of foreign currency denominated assets and liabilities.

The Company has an interest rate swap arrangement, which unless otherwise terminated, will mature on May 30, 2025. This agreement, which exchanges floating rate interest payments for fixed rate interest payments over the life of the agreement without the exchange of the underlying notional amounts, has been designated as a cash flow hedge of the underlying debt. The notional amount of the interest rate swap arrangement is used to measure interest to be paid or received and does not represent the amount of exposure to credit loss. The differential paid or received on the interest rate swap arrangement is recognized as interest expense, net. In accordance with ASC 815, the Company has formally documented the relationship between the interest rate swap and the variable rate borrowing, as well as its risk management objective and strategy for undertaking the hedge transactions. This process included linking the derivative to the specific liability or asset on the balance sheet. The Company also assessed at the inception of the hedge, and continues to assess on an ongoing basis, whether the derivative used in the hedging transaction is highly effective in offsetting changes in the cash flows of the hedged item.

The notional amounts of the Company's derivative instruments are as follows:

(Dollars in millions)	December 30, 2023	December 31, 2022
Foreign exchange hedge contracts	\$ 269.0	\$ 334.2
Interest rate swap	75.3	176.2

The recorded fair values of the Company's derivative instruments are as follows:

(In millions)	December 30, 2023	December 31, 2022
<b>Financial assets:</b>		
Foreign exchange hedge contracts	\$ —	\$ 7.5
Interest rate swap	1.8	6.1
<b>Financial liabilities:</b>		
Foreign exchange hedge contracts	\$ (5.1)	\$ (1.3)

Foreign exchange hedge contract financial assets are recorded to prepaid expenses and other current assets and financial liabilities are recorded to other accrued liabilities on the consolidated balance sheets. Interest rate swap financial assets are recorded to other assets and financial liabilities are recorded to other liabilities on the consolidated balance sheets.

## 12. STOCK-BASED COMPENSATION

The Company recognized stock-based compensation expense of \$15.2 million, \$33.4 million and \$38.1 million and related income tax benefits of \$2.9 million, \$6.5 million and \$7.5 million for grants under its stock-based compensation plans in the statements of operations for fiscal years 2023, 2022 and 2021, respectively.

As of December 30, 2023, the Company had 7,991,683 stock incentive units (stock options, stock appreciation rights, restricted stock, restricted stock units and common stock) available for issuance under the Stock Incentive Plan of 2016, as amended and restated ("Stock Plan"). Each stock option or stock appreciation right granted counts as 1.0 stock incentive unit. Stock options granted under the Stock Plan have an exercise price equal to the fair market value of the underlying stock on the grant date, expire no later than ten years from the grant date and generally vest over three years. All other awards granted, including Restricted Awards and Performance Awards, count as 2.6 stock incentive units for each share, restricted share or restricted stock unit granted. Restricted Awards issued under the Stock Plan are subject to certain restrictions, including a prohibition against any sale, transfer or other disposition by the officer or employee during the vesting period (except for certain transfers for estate planning purposes for certain officers), and a requirement to forfeit all or a certain portion of the award upon certain terminations of employment. These restrictions typically lapse over a three-year period from the date of the award. The Company has elected to recognize expense for these stock-based incentive plans ratably over the vesting term on a straight-line basis. Certain option and restricted awards provide for accelerated vesting under various scenarios, including retirement, death and disability, and upon a change in control of the Company. Awards issued to employees that meet the specified retirement age and service requirements are vested upon the employee's retirement in accordance with plan provisions and the applicable award agreements issued under the Stock Plan. The Company issues shares to plan participants upon exercise or vesting of stock-based incentive awards from either authorized, but unissued shares or treasury shares.

The Board of Directors awards an annual grant of Performance Awards to certain plan participants. The number of Performance Awards that will be earned (and eligible to vest) during the performance period will depend on the Company's level of success in achieving two specifically identified performance targets. Any portion of the Performance Awards that are not earned by the end of the three-year measurement period will be forfeited. The final determination of the number of Performance Awards to be issued in respect to an award is determined by the Compensation Committee of the Company's Board of Directors.

## Restricted Awards and Performance Awards

A summary of the unvested Restricted Awards and Performance Awards is as follows:

	Restricted Awards	Weighted-Average Grant Date Fair Value	Performance Awards	Weighted-Average Grant Date Fair Value
Unvested at January 2, 2021	1,644,017	\$ 26.39	1,005,322	\$ 35.25
Granted	654,898	34.64	630,996	38.02
Vested	(981,681)	22.78	(181,657)	35.03
Forfeited	(109,234)	32.75	(690,246)	35.71
Unvested at January 1, 2022	1,208,000	\$ 33.62	764,415	\$ 35.69
Granted	980,456	25.86	437,253	27.40
Vested	(452,448)	33.37	(343,290)	37.06
Forfeited	(219,530)	30.05	(83,724)	27.31
Unvested at December 31, 2022	1,516,478	\$ 28.95	774,654	\$ 34.14
Granted	1,678,585	13.66	686,294	14.82
Vested	(760,333)	28.49	(186,407)	33.88
Forfeited	(494,426)	21.71	(134,237)	26.92
Unvested at December 30, 2023	<u>1,940,304</u>	\$ 17.23	<u>1,140,304</u>	\$ 23.78

As of December 30, 2023, there was \$19.0 million of unrecognized compensation expense related to unvested Restricted Awards, which is expected to be recognized over a weighted-average period of 1.5 years. The total fair value of Restricted Awards vested during the year ended December 30, 2023 was \$11.1 million. As of December 31, 2022, there was \$19.4 million of unrecognized compensation expense related to unvested Restricted Awards, which was expected to be recognized over a weighted-average period of 1.6 years. The total fair value of Restricted Awards vested during the year ended December 31, 2022 was \$10.9 million. As of January 1, 2022, there was \$19.8 million of unrecognized compensation expense related to unvested Restricted Awards, which was expected to be recognized over a weighted-average period of 1.6 years. The total fair value of Restricted Awards vested during the year ended January 1, 2022 was \$34.8 million.

As of December 30, 2023, there was \$5.0 million of unrecognized compensation expense related to unvested Performance Awards, which is expected to be recognized over a weighted-average period of 1.7 years. The total fair value of Performance Awards vested during the year ended December 30, 2023 was \$5.7 million. As of December 31, 2022, there was \$10.8 million of unrecognized compensation expense related to unvested Performance Awards, which was expected to be recognized over a weighted-average period of 1.6 years. The total fair value of Performance Awards vested during the year ended December 31, 2022 was \$9.3 million. As of January 1, 2022, there was \$16.1 million of unrecognized compensation expense related to unvested Performance Awards, which was expected to be recognized over a weighted-average period of 1.4 years. The total fair value of Performance Awards vested during the year ended January 1, 2022 was \$6.2 million.

## Stock Options

The Company estimated the fair value of employee stock options on the date of grant using the Black-Scholes-Merton formula. The estimated weighted-average fair value for each option granted was \$8.46 and \$11.14 per share for fiscal years 2022 and 2021, respectively.

A summary of the stock option transactions is as follows:

	Shares Under Option	Weighted-Average Exercise Price	Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (In millions)
Outstanding at January 2, 2021	3,259,405	\$ 22.22	3.9	\$ 29.7
Granted	23,610	34.22		
Exercised	(776,850)	22.11		
Canceled	(17,353)	33.79		
Outstanding at January 1, 2022	2,488,812	\$ 22.29	3.2	\$ 16.7
Granted	20,171	25.19		
Exercised	(74,482)	18.26		
Canceled	(101,091)	22.57		
Outstanding at December 31, 2022	2,333,410	\$ 22.43	2.4	\$ —
Granted	—	—		
Exercised	(6,042)	16.51		
Canceled	(366,352)	21.81		
Outstanding at December 30, 2023	1,961,016	\$ 22.56	1.7	\$ —
Unvested at December 30, 2023	(10,959)			
Exercisable at December 30, 2023	1,950,057	\$ 22.53	1.7	\$ —

The total pretax intrinsic value of stock options exercised during fiscal years 2023, 2022 and 2021 was \$0.0 million, \$0.4 million and \$11.4 million, respectively. There was no unrecognized compensation expense related to stock option grants as of December 30, 2023. As of December 31, 2022 and January 1, 2022, there was \$0.1 million and \$0.2 million, respectively, of unrecognized compensation expense related to stock option awards expected to be recognized over a weighted-average period of 0.9 years and 1.3 years, respectively.

The aggregate intrinsic value in the preceding table represents the total pretax intrinsic value, based on the Company's closing stock price as of each fiscal year end, which would have been received by the option holders had all option holders exercised options, where the market price of the Company's stock was above the strike price ("in-the-money"), as of that date. There were no in-the-money options exercisable as of December 30, 2023 and December 31, 2022. The Company's closing stock price was \$8.89 per share as of December 30, 2023 and \$10.93 per share as of December 31, 2022.

## 13. RETIREMENT PLANS

The Company has two non-contributory, defined benefit pension plans that provide retirement benefits to less than half of its domestic employees. The Company's principal defined benefit pension plan, which is closed to new participants, provides benefits based on the employee's years of service and final average earnings. The second plan is closed to new participants and no longer accrue future benefits.

The Company has a Supplemental Executive Retirement Plan (the "SERP") for certain current and former employees that entitles a participating employee to receive payments from the Company following retirement based on the employee's years of service and final average earnings (as defined in the SERP). Under the SERP, the employees can elect early retirement with a corresponding reduction in benefits. The Company also has individual deferred compensation agreements with certain former employees that entitle those employees to receive payments from the Company following retirement, generally for the duration of their lives. The Company maintains life insurance policies with a cash surrender value of \$48.3 million at December 30, 2023 and \$46.6 million at December 31, 2022 recognized as other assets on the consolidated balance sheets that are intended to partially fund deferred compensation benefits under the SERP and deferred compensation agreements.

The Company has two defined contribution 401(k) plans covering substantially all domestic employees that provide for discretionary Company contributions based on the amount of participant deferrals. The Company recognized expense for its

contributions to the defined contribution plans of \$4.9 million, \$5.6 million and \$5.2 million in fiscal years 2023, 2022 and 2021, respectively.

The Company also has certain defined contribution plans at foreign subsidiaries. Contributions to these plans were \$1.6 million, \$1.5 million and \$1.4 million in fiscal years 2023, 2022 and 2021, respectively. The Company also has a benefit plan at a foreign location that provides for retirement benefits based on years of service. The obligation recorded under this plan was \$0.6 million at December 30, 2023 and \$0.8 million at December 31, 2022 and was recognized as a deferred compensation liability on the consolidated balance sheets.

The following summarizes the status of and changes in the Company's assets and related obligations for its pension plans (which include the Company's defined benefit pension plans and the SERP) for the fiscal years 2023 and 2022:

(In millions)	Fiscal Year	
	2023	2022
Change in projected benefit obligations:		
Projected benefit obligations at beginning of the year	\$ 328.2	\$ 434.3
Service cost pertaining to benefits earned during the year	3.1	5.3
Interest cost on projected benefit obligations	17.8	13.2
Actuarial loss (gain)	15.7	(107.8)
Benefits paid to plan participants	(17.5)	(16.8)
Curtailment	(2.1)	—
Projected benefit obligations at end of the year	<u>\$ 345.2</u>	<u>\$ 328.2</u>
Change in fair value of pension assets:		
Fair value of pension assets at beginning of the year	\$ 251.4	\$ 323.0
Actual return (loss) on plan assets	24.7	(58.7)
Company contributions - SERP	3.9	3.8
Benefits paid to plan participants	(17.3)	(16.7)
Fair value of pension assets at end of the year	<u>\$ 262.7</u>	<u>\$ 251.4</u>
Funded status	<u>\$ (82.5)</u>	<u>\$ (76.8)</u>
Amounts recognized in the consolidated balance sheets:		
Current liabilities	\$ (4.1)	\$ (3.9)
Accrued pension liabilities	(78.4)	(72.9)
Funded status of qualified defined benefit plans and SERP	<u>\$ (82.5)</u>	<u>\$ (76.8)</u>

Unrecognized net actuarial loss recognized in accumulated other comprehensive income was \$10.7 million and \$1.8 million, and amounts net of tax were \$8.7 million and \$1.7 million, as of December 30, 2023 and December 31, 2022, respectively. The accumulated benefit obligations for all defined benefit pension plans and the SERP were \$334.7 million at December 30, 2023 and \$315.9 million at December 31, 2022. The increase in benefit obligation for fiscal 2023 was the result of actuarial losses caused by changes to the discount rate. The actuarial loss included in accumulated other comprehensive loss and expected to be recognized in net periodic pension income during fiscal 2024 is \$1.7 million.

The following is a summary of net pension and SERP expense recognized by the Company:

(In millions)	Fiscal Year		
	2023	2022	2021
Service cost pertaining to benefits earned during the year	\$ 3.1	\$ 5.3	\$ 6.9
Interest cost on projected benefit obligations	17.8	13.2	12.8
Expected return on pension assets	(18.5)	(20.5)	(19.5)
Net amortization loss (gain)	(0.7)	11.3	13.8
Curtailment	(1.0)	—	—
Net pension expense	\$ 0.7	\$ 9.3	\$ 14.0
Less: SERP expense	3.9	3.8	5.7
Qualified defined benefit pension plans expense (income)	\$ (3.2)	\$ 5.5	\$ 8.3

The non-service cost components of net pension expense is recorded in the Other expense (income), net line item on the consolidated statements of operations and comprehensive income.

The weighted-average actuarial assumptions used to determine the benefit obligation amounts and the net periodic benefit cost for the Company's pension and post-retirement plans are as follows:

	Fiscal Year	
	2023	2022
Weighted-average assumptions used to determine benefit obligations at fiscal year-end:		
Discount rate	5.30%	5.56%
Rate of compensation increase - pension	4.09%	4.13%
Rate of compensation increase - SERP	7.00%	7.00%
Weighted average assumptions used to determine net periodic benefit cost for the years ended:		
Discount rate	5.56%	3.09%
Expected long-term rate of return on plan assets	6.88%	6.87%
Rate of compensation increase - pension	4.13%	4.18%
Rate of compensation increase - SERP	7.00%	7.00%

Unrecognized net actuarial losses exceeding certain corridors are amortized over one of two amortization periods, based on each plan's election. The amortization period is either a five-year period, unless the minimum amortization method based on average remaining service periods produces a higher amortization; or, over the average remaining life expectancy of participants expected to receive benefits. The Company utilizes a bond matching calculation to determine the discount rate. A hypothetical bond portfolio is created based on a presumed purchase of high-quality corporate bonds with maturities that match the plan's expected future cash outflows. The discount rate is the resulting yield of the hypothetical bond portfolio. The discount rate is used in the calculation of the year-end pension liability and the service and interest cost for the subsequent year.

The long-term rate of return is based on overall market expectations for a balanced portfolio with an asset mix similar to the Company's, utilizing historic returns for broad market and fixed income indices. The Company's investment policy for plan assets uses a blended approach of U.S. and foreign equities combined with U.S. fixed income investments. The target investment allocations as of December 30, 2023 were 44% in equity securities and 56% in fixed income securities. Within the equity and fixed income classifications, the investments are diversified. The Company's asset allocations by asset category and fair value measurement are as follows:

(In millions)	December 30, 2023		December 31, 2022	
	Total	% of Total	Total	% of Total
Equity securities	\$ 122.7 <sup>1</sup>	46.7 %	\$ 112.2 <sup>1</sup>	44.7 %
Fixed income securities	85.8 <sup>1</sup>	32.7 %	90.0 <sup>1</sup>	35.8 %
Cash	52.4	19.9 %	46.6	18.5 %
Other	1.8 <sup>2</sup>	0.7 %	2.6 <sup>2</sup>	1.0 %
Fair value of plan assets	\$ 262.7	100.0 %	\$ 251.4	100.0 %

<sup>1</sup> In accordance with ASC 820, *Fair Value Measurement* ("ASC 820"), certain investments are measured at fair value using the net asset value per share as a practical expedient. These assets have not been classified in the fair value hierarchy.

<sup>2</sup> In accordance with ASC 820, investments have been measured using valuation techniques in which one or more significant inputs are unobservable (Level 3). See Note 1 for additional information.

The Company does not expect to make any contributions to its qualified defined benefit pension plans in fiscal 2024 and expects to make \$4.1 million in contributions to the SERP in fiscal 2024.

Expected benefit payments for the fiscal years subsequent to December 30, 2023 are as follows:

(In millions)	2024	2025	2026	2027	2028	2029-2033
Expected benefit payments	\$ 19.2	\$ 20.0	\$ 20.6	\$ 21.2	\$ 21.6	\$ 114.2

#### 14. INCOME TAXES

The geographic components of earnings (loss) before income taxes are as follows:

(In millions)	Fiscal Year		
	2023	2022	2021
United States	\$ (115.2)	\$ (94.6)	\$ 22.7
Foreign	(19.0)	(158.3)	57.6
Earnings (loss) before income taxes	<u>\$ (134.2)</u>	<u>\$ (252.9)</u>	<u>\$ 80.3</u>

The provisions for income tax expense (benefit) consist of the following:

(In millions)	Fiscal Year		
	2023	2022	2021
Current expense:			
Federal	\$ (0.6)	\$ 22.7	\$ 14.6
State	(1.7)	4.0	2.5
Foreign	1.3	28.2	15.0
Deferred expense (benefit):			
Federal	(88.5)	(52.9)	(17.1)
State	0.1	(4.9)	(1.8)
Foreign	(5.6)	(60.9)	0.1
Income tax expense (benefit)	<u>\$ (95.0)</u>	<u>\$ (63.8)</u>	<u>\$ 13.3</u>

A reconciliation of the Company's total income tax expense and the amount computed by applying the statutory federal income tax rate to earnings before income taxes is as follows:

(In millions)	Fiscal Year		
	2023	2022	2021
Income taxes at U.S. statutory rate of 21%	\$ (28.2)	\$ (53.1)	\$ 16.9
State income taxes, net of federal income tax	(2.0)	(2.3)	(1.1)
Foreign earnings taxed at rates different from the U.S. statutory rate:			
Hong Kong	(7.3)	(14.2)	(7.2)
Italy	(2.5)	0.3	1.1
United Kingdom	2.3	(1.1)	(0.5)
Other	3.9	2.9	2.5
Adjustments for uncertain tax positions	(1.3)	(0.9)	(1.3)
Change in valuation allowance	29.0	2.1	2.2
Tax impact of impairment in foreign jurisdiction	—	3.0	—
Global Intangible Low Tax Income tax	1.5	3.8	3.2
Foreign Derived Intangible Income tax benefit	—	(8.2)	(3.7)
Non-deductible executive compensation	(0.8)	3.3	5.2
Permanent adjustments related to employee share based compensation	4.2	1.6	(3.7)
Deferred tax on future cash dividends	—	(0.2)	(0.9)
Income tax audit adjustments	—	—	2.5
Permanent adjustment related to goodwill divested	4.3	—	—
Deferred adjustment for income tax audit	—	—	(1.2)
Capital loss from sale of subsidiary	(95.7)	—	—
Other Permanent adjustments and non-deductible expenses	(1.2)	(1.4)	(0.3)
Other	(1.2)	0.6	(0.4)
Income tax expense (benefit)	<u>\$ (95.0)</u>	<u>\$ (63.8)</u>	<u>\$ 13.3</u>



Significant components of the Company's deferred income tax assets and liabilities are as follows:

(In millions)	December 30, 2023	December 31, 2022
Deferred income tax assets:		
Accounts receivable and inventory valuation allowances	\$ 16.0	\$ 18.1
Deferred compensation accruals	6.1	4.3
Accrued pension expense	19.7	18.7
Stock-based compensation	7.0	9.1
Net operating loss and foreign tax credit carryforwards	56.6	19.9
Capital loss carryforwards	60.4	—
Book over tax depreciation and amortization	0.4	0.5
Tenant lease expenses	10.6	4.3
Environmental reserve	14.8	28.3
Intangible Assets	1.3	—
Other	8.3	6.5
Total gross deferred income tax assets	201.2	109.7
Less valuation allowance	(55.6)	(26.7)
Net deferred income tax assets	145.6	83.0
Deferred income tax liabilities:		
Intangible assets	(48.9)	(76.2)
Tax over book depreciation and amortization	(3.4)	(9.4)
Other	(3.8)	(8.2)
Total deferred income tax liabilities	(56.1)	(93.8)
Net deferred income tax asset (liabilities)	\$ 89.5	\$ (10.8)

The valuation allowance for deferred income tax assets as of December 30, 2023 and December 31, 2022 was \$55.6 million and \$26.7 million, respectively. The net increase in the total valuation allowance during fiscal 2023 was \$28.9 million. The valuation allowance for both years is primarily related to U.S. state and local net operating loss carryforwards as well as a valuation allowance against state deferred tax assets for certain U.S. legal entities, foreign net operating loss carryforwards and tax credit carryforwards in foreign jurisdictions. The valuation allowance for fiscal 2023 is also related to U.S. federal capital loss carryforwards. The ultimate realization of the deferred tax assets depends on the generation of future taxable income in foreign jurisdictions as well as state and local tax jurisdictions, and capital gains in the U.S. tax jurisdiction. During 2023, the Company sold one of its foreign subsidiaries which generated a tax capital loss of \$417.8 million on the divestiture of that entity's stock. That tax capital loss was used to offset taxable gains related to the divestiture of various brand and non-core assets between 2022 and 2024 in the amount of \$312.5 million. The remaining capital loss of \$105.3 million has no immediate use and therefore has a full valuation allowance resulting in an increase to the valuation allowance of \$24.1 million as of December 30, 2023. The current year change in the valuation allowance results in a decrease against the state deferred tax assets of \$0.8 million, an increase related to state net operating loss carryforward of \$2.3 million, and a net increase relating to the foreign net operating losses and foreign tax credits and other deferred tax assets of \$3.3 million.

At December 30, 2023, the Company had foreign net operating loss carryforwards of \$43.5 million, which have expirations ranging from 2024 to an unlimited term during which they are available to offset future foreign taxable income. The Company had U.S. federal capital loss carryforwards, federal net operating loss carryforwards and Internal Revenue Code section 163(j) interest expense carryforwards of \$263.8 million, \$27.1 million, and \$65.8 million respectively, which have expirations ranging from 2029 to an unlimited term during which they are available to offset future U.S. federal taxable income. The Company had state net operating loss carryforwards and Internal Revenue Code section 163(j) interest expense carryforwards of \$234.4 million and \$74.7 million respectively, which have expirations ranging from 2024 to an unlimited term during which they are available to offset future state taxable income. The Company also had tax credit carryforwards in foreign jurisdictions of \$2.6 million, which are available for an unlimited carryforward period to offset future foreign taxes.

The following table summarizes the activity related to the Company's unrecognized tax benefits:

(In millions)	Fiscal Year	
	2023	2022
Unrecognized tax benefits at beginning of the year	\$ 9.0	\$ 10.9
Increases related to current year tax positions	0.3	0.2
Decreases related to prior year positions	(5.1)	(1.1)
Decreases relating to settlements with taxing authorities	(0.7)	(0.5)
Decrease due to lapse of statute	(0.9)	(0.5)
Unrecognized tax benefits at end of the year	\$ 2.6	\$ 9.0

The portion of the unrecognized tax benefits that, if recognized currently, would reduce the annual effective tax rate was \$2.6 million and \$9.0 million as of December 30, 2023 and December 31, 2022, respectively. During 2023, the Company released \$5.1 million of unrecognized tax benefits related to net operating losses that were deemed to be fully limited based on the completion of a separate return loss year analysis. The release had no impact on the effective tax rate since the Company released both the deferred tax asset and contra deferred tax asset related to the net operating losses. The Company recognizes interest and penalties related to unrecognized tax benefits through interest expense and income tax expense, respectively. Interest accrued related to unrecognized tax benefits was \$0.5 million and \$0.5 million as of December 30, 2023 and December 31, 2022.

The Company is subject to periodic audits by domestic and foreign tax authorities. Currently, the Company is undergoing routine periodic audits in both domestic and foreign tax jurisdictions. It is reasonably possible that the amounts of unrecognized tax benefits could change in the next 12 months as a result of the audits. However, any payment of tax is not expected to be material to the consolidated financial statements. For the majority of tax jurisdictions, the Company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2017.

The Company intends to repatriate cash held in foreign jurisdictions and as such has recorded a deferred tax liability related to additional state taxes and foreign withholding taxes on the future dividends received in the U.S. from the foreign subsidiaries of \$1.1 million and \$1.1 million for fiscal years 2023 and 2022. The Company intends to permanently reinvest all non-cash undistributed earnings outside of the U.S. and has, therefore, not established a deferred tax liability on the amount of non-cash foreign undistributed earnings of \$76.5 million at December 30, 2023. However, if these non-cash undistributed earnings were repatriated, the Company would be required to accrue and pay applicable U.S. taxes and withholding taxes payable to various countries. It is not practicable to estimate the amount of the deferred tax liability associated with these non-cash unremitted earnings due to the complexity of the hypothetical calculation.

## 15. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive income represents net earnings and any revenue, expenses, gains and losses that, under U.S. GAAP, are excluded from net earnings and recognized directly as a component of stockholders' equity.

The change in accumulated other comprehensive income (loss) during fiscal years 2023 and 2022 is as follows:

(In millions)	Foreign currency translation	Derivatives	Pension	Total
Balance at January 1, 2022	\$ (56.8)	\$ (8.9)	\$ (33.2)	\$ (98.9)
Other comprehensive income (loss) before reclassifications <sup>(1)</sup>	(76.3)	25.4	22.6	(28.3)
Amounts reclassified from accumulated other comprehensive income (loss)	—	(19.3) <sup>(2)</sup>	11.3 <sup>(3)</sup>	(8.0)
Income tax (expense) benefit	—	4.7	(2.4)	2.3
Net reclassifications	—	(14.6)	8.9	(5.7)
Net current-period other comprehensive income (loss) <sup>(1)</sup>	(76.3)	10.8	31.5	(34.0)
Balance at December 31, 2022	\$ (133.1)	\$ 1.9	\$ (1.7)	\$ (132.9)
Other comprehensive income (loss) before reclassifications <sup>(1)</sup>	12.6	(4.8)	(6.6)	1.2
Amounts reclassified from accumulated other comprehensive income (loss)	4.2	(18.8) <sup>(2)</sup>	(0.7) <sup>(3)</sup>	(15.3)
Income tax benefit	—	4.6	0.2	4.8
Net reclassifications	4.2	(14.2)	(0.5)	(10.5)
Net current-period other comprehensive income (loss) <sup>(1)</sup>	16.8	(19.0)	(7.1)	(9.3)
Balance at December 30, 2023	\$ (116.3)	\$ (17.1)	\$ (8.8)	\$ (142.2)

<sup>(1)</sup> Other comprehensive income (loss) is reported net of taxes and noncontrolling interest.

<sup>(2)</sup> Amounts related to foreign currency derivatives used to manage the volatility associated with inventory purchases in various currencies and deemed to be highly effective are included in cost of goods sold. Amounts related to foreign currency derivatives that are no longer deemed to be highly effective are included in other income. Amounts related to interest rate swaps are included in interest expense.

<sup>(3)</sup> Amounts reclassified are included in the computation of net pension expense.

## 16. FAIR VALUE MEASUREMENTS

### Recurring Fair Value Measurements

The following table sets forth financial assets and liabilities measured at fair value in the consolidated balance sheets and the respective pricing levels to which the fair value measurements are classified within the fair value hierarchy.

(In millions)	Fair Value Measurements	
	Quoted Prices With Other Observable Inputs (Level 2)	
	December 30, 2023	December 31, 2022
Financial assets:		
Derivatives	\$ 1.8	\$ 13.6
Financial liabilities:		
Derivatives	\$ (5.1)	\$ (1.3)

The fair value of foreign currency forward exchange contracts represents the estimated receipts or payments necessary to terminate the contracts.

### Nonrecurring Fair Value Measurements

Indefinite-lived intangible assets and goodwill are tested annually, or if a triggering event occurs that indicates an impairment loss may have been incurred, using fair value measurements with unobservable inputs (Level 3). In the third quarter of 2023, based on the results of the impairment testing, the Company recognized impairment charges of \$38.3 million to the *Sperry*<sup>®</sup> trade name. In the fourth quarter of 2022, after completion of the annual impairment testing, the Company recorded a \$48.4 million impairment charge for *Sweaty Betty*<sup>®</sup> goodwill. The Company also recorded impairment charges of \$191.0 million and

\$189.3 million to the *Sperry*<sup>®</sup> and *Sweaty Betty*<sup>®</sup> trade names, respectively, in fiscal 2022. Refer to Note 4, “Goodwill and Other Intangibles” for additional discussion on the *Sperry*<sup>®</sup> goodwill impairment and the *Sperry*<sup>®</sup> and *Sweaty Betty*<sup>®</sup> trade name impairment.

## Fair Value Disclosures

The Company’s financial instruments that are not recorded at fair value consist of cash and cash equivalents, accounts and notes receivable, accounts payable, borrowings under revolving credit agreements and other short-term and long-term debt. The carrying amount of these financial instruments is historical cost, which approximates fair value, except for the debt. The carrying value and the fair value of the Company’s debt are as follows:

(In millions)	December 30, 2023	December 31, 2022
Carrying value	\$ 920.8	\$ 1,158.0
Fair value	813.3	1,042.9

The fair value of the fixed rate debt was based on third-party quotes (Level 2). The fair value of the variable rate debt was calculated by discounting the future cash flows to its present value using a discount rate based on the risk-free rate of the same maturity (Level 3).

## 17. LITIGATION AND CONTINGENCIES

### Litigation

The Company operated a leather tannery in Rockford, Michigan from the early 1900s through 2009 (the “Tannery”). The Company also owns a parcel on House Street in Plainfield Township that the Company used for the disposal of Tannery byproducts until about 1970 (the “House Street” site). Beginning in the late 1950s, the Company used 3M Company’s Scotchgard<sup>™</sup> in its processing of certain leathers at the Tannery. Until 2002 when 3M Company changed its Scotchgard<sup>™</sup> formula, Tannery byproducts disposed of by the Company at the House Street site and other locations may have contained PFOA and/or PFOS, two chemicals in the family of compounds known as per- and polyfluoroalkyl substances (together, “PFAS”). PFOA and PFOS help provide non-stick, stain-resistant, and water-resistant qualities, and were used for many decades in commercial products like firefighting foams and metal plating, and in common consumer items like food wrappers, microwave popcorn bags, pizza boxes, Teflon<sup>™</sup>, carpets and Scotchgard<sup>™</sup>.

In May 2016, the Environmental Protection Agency (“EPA”) announced a lifetime health advisory level of 70 parts per trillion (“ppt”) combined for PFOA and PFOS, which the EPA reduced in June 2022 to 0.004 ppt and 0.02 ppt for PFOA and PFOS, respectively. In January 2018, the Michigan Department of Environmental Quality (“MDEQ”, now known as the Michigan Department of Environment, Great Lakes, and Energy (“EGLE”)) enacted a drinking water criterion of 70 ppt combined for PFOA and PFOS, which set an official state standard for acceptable concentrations of these contaminants in groundwater used for drinking water purposes. On August 3, 2020, Michigan changed the standards for PFOA and PFOS in drinking water to 8 and 16 ppt, respectively, and set standards for four other PFAS substances.

### Civil and Regulatory Actions of EGLE and EPA

On January 10, 2018, EGLE filed a civil action against the Company in the U.S. District Court for the Western District of Michigan under the federal Resource Conservation and Recovery Act of 1976 (“RCRA”) and Parts 201 and 31 of the Michigan Natural Resources and Environmental Protection Act (“NREPA”) alleging that the Company’s past and present handling, storage, treatment, transportation and/or disposal of solid waste at the Company’s properties has resulted in releases of PFAS at levels exceeding applicable Michigan cleanup criteria for PFOA and PFOS (the “EGLE Action”). Plainfield and Algoma Townships intervened in the EGLE Action alleging claims under RCRA, NREPA, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”) and common law nuisance.

On February 3, 2020, the parties entered into a consent decree resolving the EGLE Action, which was approved by U.S. District Judge Janet T. Neff on February 19, 2020 (the “Consent Decree”). Under the Consent Decree, the Company agreed to pay for an extension of Plainfield Township’s municipal water system to more than 1,000 properties in Plainfield and Algoma Townships, subject to an aggregate cap of \$69.5 million. The Company also agreed to continue maintaining water filters for certain homeowners, resample certain residential wells for PFAS, continue remediation at the Company’s Tannery property and House Street site, and conduct further investigations and monitoring to assess the presence of PFAS in area groundwater. The Company’s activities under the Consent Decree are not materially impacted by either the drinking water standards that became effective on August 3, 2020, or the EPA’s revised advisory levels issued in June 2022.

On December 19, 2018, the Company filed a third-party complaint against 3M Company seeking, among other things, recovery of the Company’s remediation and other costs incurred in defense of the EGLE Action (“the 3M Action”). On June 20, 2019,

the 3M Company filed a counterclaim against the Company in response to the 3M Action, seeking, among other things, contractual and common law indemnity and contribution under CERCLA and Part 201 of NREPA. On February 20, 2020, the Company and 3M Company entered into a settlement agreement resolving the 3M Action, under which 3M Company paid the Company a lump sum amount of \$55.0 million during the first quarter of 2020.

On January 10, 2018, the EPA entered a Unilateral Administrative Order (the "Order") under Section 106(a) of CERCLA, 42 U.S.C. § 9606(a) with an effective date of February 1, 2018. The Order pertained to specified removal actions at the Company's Tannery and House Street sites, including certain time critical removal actions subsequently identified in an April 29, 2019 letter from the EPA, to abate the actual or threatened release of hazardous substances at or from the sites. On October 28, 2019, the EPA and the Company entered into an Administrative Settlement and Order on Consent ("AOC") that supersedes the Order and addresses the agreed-upon removal actions outlined in the Order. The Company has completed the activities required by the AOC, and is awaiting the final review and determination from the EPA.

The Company discusses its reserve for remediation costs in the environmental liabilities section below.

#### *Individual and Class Action Litigation*

Beginning in late 2017, individual lawsuits and three putative class action lawsuits were filed against the Company that raise a variety of claims, including claims related to property, remediation, and human health effects. The three putative class action lawsuits were subsequently refiled in the U.S. District Court for the Western District of Michigan as a single consolidated putative class action lawsuit. 3M Company has been named as a co-defendant in the individual lawsuits and consolidated putative class action lawsuit. In addition, the current owner of a former landfill and gravel mining operation sued the Company seeking damages and cost recovery for property damage allegedly caused by the Company's disposal of tannery waste containing PFAS (this suit collectively with the individual lawsuits and putative class action, the "Litigation Matters").

On January 11, 2022, the Company and 3M Company entered into a master settlement agreement with the law firm representing certain of the plaintiffs in the individual lawsuits included in the Litigation Matters, and each of these plaintiffs subsequently agreed to participate in the settlement. These plaintiffs' lawsuits were dismissed with prejudice on or around April 25, 2022.

On December 9, 2021, the Company and 3M Company reached a settlement in principle to resolve certain of the remaining individual lawsuits included in the Litigation Matters, and the parties entered into definitive settlement agreements in March 2022. These plaintiffs' lawsuits were dismissed with prejudice on June 14, 2022. The last remaining individual action included in the Litigation Matters was dismissed without prejudice on June 24, 2022.

In addition, in September 2022, the parties to the putative class action filed a motion for preliminary approval of a proposed class action settlement seeking to resolve the putative class action plaintiffs' claims. On March 29, 2023, the court presiding over the putative class action granted final approval of the proposed settlement and dismissed the lawsuit with prejudice.

The last remaining Litigation Matter, the lawsuit filed by the current owner of a former landfill and gravel mining operations, was pending in Michigan state court but has been administratively stayed by the Court.

There were no developments during fiscal year 2023 that required the Company to change the amount accrued for the Litigation Matters described above. The Company made related payments of \$37.8 million in connection with the Litigation Matters described above during fiscal year 2023. As of December 30, 2023, the Company had recorded liabilities of \$2.7 million for certain of the Litigation Matters described above which are recorded as other accrued liabilities in the consolidated balance sheets.

In December 2018, the Company filed a lawsuit against certain of its historic liability insurers, seeking to compel them to provide a defense against the Litigation Matters on the Company's behalf and coverage for remediation efforts undertaken by, and indemnity provided by, the Company. The Company recognized certain recoveries from legacy insurance policies in 2023 and 2022, and continues pursuing additional recoveries through the lawsuit.

#### *Other Litigation*

The Company is also involved in litigation incidental to its business and is a party to legal actions and claims, including, but not limited to, those related to employment, intellectual property, and consumer related matters. Some of the legal proceedings include claims for compensatory as well as punitive damages. While the final outcome of these matters cannot be predicted with certainty, considering, among other things, the meritorious legal defenses available to the Company and reserves for liabilities that the Company has recorded, along with applicable insurance, it is management's opinion that the outcome of these

items, individually and in the aggregate, are not expected to have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

### Environmental Liabilities

The following is a summary of the activity with respect to the environmental remediation reserve established by the Company:

(In millions)	Fiscal Year	
	2023	2022
Remediation liability at beginning of the year	\$ 74.1	\$ 85.7
Changes in estimate	(5.8)	6.8
Amounts paid	(10.4)	(18.4)
Remediation liability at the end of the year	\$ 57.9	\$ 74.1

The reserve balance as of December 30, 2023 includes \$31.3 million that is expected to be paid within the next twelve months and is recorded as a current obligation in other accrued liabilities, with the remaining \$26.6 million expected to be paid over the course of up to 25 years, recorded in other liabilities.

The Company's remediation activity at the Tannery property, House Street site and other relevant operations or disposal sites is ongoing. Although the Consent Decree has made near-term costs more clear, it is difficult to estimate the long-term cost of environmental compliance and remediation given the uncertainties regarding the interpretation and enforcement of applicable environmental laws and regulations, the extent of environmental contamination and the existence of alternative cleanup methods. Future developments may occur that could materially change the Company's current cost estimates, including, but not limited to: (i) changes in the information available regarding the environmental impact of the Company's operations and products; (ii) changes in environmental regulations, changes in permissible levels of specific compounds in drinking water sources, or changes in enforcement theories and policies, including efforts to recover natural resource damages; (iii) new and evolving analytical and remediation techniques; (iv) changes to the form of remediation; (v) success in allocating liability to other potentially responsible parties; and (vi) the financial viability of other potentially responsible parties and third-party indemnitors. For locations at which remediation activity is largely ongoing, the Company cannot estimate a possible loss or range of loss in excess of the associated established reserves for the reasons described above. The Company adjusts recorded liabilities as further information develops or circumstances change.

### Minimum Royalties and Advertising Commitments

The Company has future minimum royalty and advertising obligations due under the terms of certain licenses held by the Company. These minimum future obligations for the fiscal years subsequent to December 30, 2023 are as follows:

(In millions)	2024	2025	2026	2027	2028	Thereafter
Minimum royalties	\$ 1.3	\$ —	\$ —	\$ —	\$ —	\$ —
Minimum advertising	2.9	3.0	3.1	3.2	3.3	—

Minimum royalties are based on both fixed obligations and assumptions regarding the Consumer Price Index. Royalty obligations in excess of minimum requirements are based upon future sales levels. In accordance with these agreements, the Company incurred royalty expense of \$1.5 million, \$2.3 million and \$2.3 million for fiscal years 2023, 2022 and 2021, respectively.

The terms of certain license agreements also require the Company to make advertising expenditures based on the level of sales of the licensed products. In accordance with these agreements, the Company incurred advertising expense of \$6.9 million, \$6.5 million and \$6.5 million for fiscal years 2023, 2022 and 2021, respectively.

## 18. BUSINESS SEGMENTS

The Company's portfolio of brands are organized into the following reportable segments.

- **Active Group**, consisting of *Merrell*® footwear and apparel, *Saucony*® footwear and apparel, *Sweaty Betty*® activewear, and *Chaco*® footwear;
- **Work Group**, consisting of *Wolverine*® footwear and apparel, *Cat*® footwear, *Bates*® uniform footwear, *Harley-Davidson*® footwear and *HYTEST*® safety footwear;

The Company's operating segments are the Active Group, Work Group, and *Sweaty Betty*<sup>®</sup>. *Sweaty Betty*<sup>®</sup> and the Active Group were evaluated and combined into one reportable segment because they meet the similar economic characteristics and qualitative aggregation criteria set forth in the relevant accounting guidance

Kids' footwear offerings from *Saucony*<sup>®</sup>, *Sperry*<sup>®</sup>, *Keds*<sup>®</sup>, *Merrell*<sup>®</sup>, *Hush Puppies*<sup>®</sup> and *Cat*<sup>®</sup> are included with the applicable brand.

The Company also reports "Other" and "Corporate" categories. Other consists of *Sperry*<sup>®</sup> footwear, *Keds*<sup>®</sup> footwear, *Hush Puppies*<sup>®</sup> footwear and apparel, the Company's leather marketing operations, sourcing operations that include third-party commission revenues, multi-branded direct-to-consumer retail stores and the *Stride Rite*<sup>®</sup> licensed business. Prior to the fourth quarter of 2023, *Sperry*<sup>®</sup>, *Keds*<sup>®</sup>, and *Hush Puppies*<sup>®</sup> financial results were reported in the Lifestyle Group. The Lifestyle Group is no longer a reportable segment based upon how the Chief Operating Decision Maker, the Company's Chief Executive Officer, allocates resources to and assesses performance of the Company's operating segments. The Corporate category consists of gains on the sale of businesses and trademarks, unallocated corporate expenses, such as corporate employee costs, corporate facility costs, reorganization activities, impairment of long-lived assets and environmental and other related costs.

The reportable segments are engaged in designing, manufacturing, sourcing, marketing, licensing and distributing branded footwear, apparel and accessories. Revenue for the reportable segments includes revenue from the sale of branded footwear, apparel and accessories to third-party customers; revenue from third-party licensees and distributors; and revenue from the Company's direct-to-consumer businesses. The Company's reportable segments are determined based on how the Company internally reports and evaluates financial information used to make operating decisions.

Company management uses various financial measures to evaluate the performance of the reportable segments. The following is a summary of certain key financial measures for the respective fiscal periods indicated.

(In millions)	Fiscal Year		
	2023	2022	2021
Revenue:			
Active Group	\$ 1,439.1	\$ 1,570.2	\$ 1,319.6
Work Group	480.6	590.5	548.8
Other	323.2	524.1	546.5
Total	<u>\$ 2,242.9</u>	<u>\$ 2,684.8</u>	<u>\$ 2,414.9</u>
Operating profit (loss):			
Active Group	\$ 140.3	\$ 198.4	\$ 229.5
Work Group	58.1	102.5	103.8
Other	32.8	59.9	75.6
Corporate	(299.4)	(569.2)	(253.2)
Total	<u>\$ (68.2)</u>	<u>\$ (208.4)</u>	<u>\$ 155.7</u>
Interest expense, net	63.5	47.3	37.4
Debt extinguishment and other costs	—	—	34.3
Other expense (income), net	2.5	(2.8)	3.7
Earnings (loss) before income taxes	<u>\$ (134.2)</u>	<u>\$ (252.9)</u>	<u>\$ 80.3</u>

(In millions)	Fiscal Year		
	2023	2022	2021
Depreciation and amortization expense:			
Active Group	\$ 10.7	\$ 8.1	\$ 5.4
Work Group	0.4	0.3	0.3
Other	2.9	3.4	3.9
Corporate	21.1	22.8	23.6
Total	<u>\$ 35.1</u>	<u>\$ 34.6</u>	<u>\$ 33.2</u>
Capital expenditures:			
Active Group	\$ 9.7	\$ 18.9	\$ 5.0
Work Group	0.1	0.4	0.4
Other	0.1	5.2	1.8
Corporate	4.7	12.0	10.4
Total	<u>\$ 14.6</u>	<u>\$ 36.5</u>	<u>\$ 17.6</u>

(In millions)	December 30,	
	2023	December 31, 2022
Total assets:		
Active Group	\$ 1,183.9	\$ 1,331.5
Work Group	288.4	375.7
Other	250.8	573.4
Corporate	339.7	212.1
Total	<u>\$ 2,062.8</u>	<u>\$ 2,492.7</u>
Goodwill:		
Active Group	\$ 317.7	\$ 314.4
Work Group	60.3	59.6
Other	49.1	111.0
Total	<u>\$ 427.1</u>	<u>\$ 485.0</u>

Geographic dispersion of revenue from external customers, based on shipping destination is as follows:

(In millions)	Fiscal Year		
	2023	2022	2021
United States	\$ 1,217.9	\$ 1,563.1	\$ 1,573.9
Foreign:			
Europe, Middle East and Africa	540.8	602.5	460.3
Asia Pacific	253.2	245.7	161.6
Canada	107.1	126.8	116.9
Latin America	123.9	146.7	102.2
Total from foreign territories	<u>1,025.0</u>	<u>1,121.7</u>	<u>841.0</u>
Total revenue	<u>\$ 2,242.9</u>	<u>\$ 2,684.8</u>	<u>\$ 2,414.9</u>

The location of the Company's tangible long-lived assets, which comprises property, plant and equipment and lease right-of-use assets, is as follows:

(In millions)	December 30,		December 31,		January 1,	
	2023		2022		2022	
United States	\$ 131.9	\$ 222.3	\$ 205.8			
Foreign countries	82.6	88.6	61.4			
Total	<u>\$ 214.5</u>	<u>\$ 310.9</u>	<u>\$ 267.2</u>			



The Company does not believe that it is dependent upon any single customer because no customer accounts for more than 10% of consolidated revenue in any year.

During fiscal 2023, the Company sourced 100% of its footwear products and apparel and accessories from third-party suppliers, located primarily in the Asia Pacific region. While changes in suppliers could cause delays in manufacturing and a possible loss of sales, management believes that other suppliers could provide similar products on comparable terms.

## 19. VARIABLE INTEREST ENTITIES AND RELATED PARTY TRANSACTIONS

On December 17, 2023, the Company entered into a purchase agreement to sell a 40% ownership interest in Gemini Asia Saucony, LLC, which was established for the purpose of holding, licensing and managing the intellectual property rights associated with the *Saucony*® brand in China, Hong Kong and Macau, to XMS Sports Co. Limited for cash of \$39.0 million.

### Assets and Liabilities of Consolidated VIEs

The Company has joint ventures that source and market the Company's footwear and apparel products in China. Based upon the criteria set forth in FASB ASC 810, *Consolidation*, the Company has determined two of the consolidated joint ventures are variable interest entities (VIEs) of which the Company is the primary beneficiary and, as a result, the Company consolidates these VIEs. The primary beneficiary determination is based on the relationship between the Company and the VIE, including contractual agreements between the Company and the VIE. The Company has determined that two of the VIEs that are consolidated meet the criteria to be classified as held for sale as of year end 2023, refer to Note 20, "Divestitures and Assets and Liabilities Held for Sale" for additional discussion.

Specifically, the Company has the power to direct the activities that are considered most significant to the entities' performance and the Company has the obligation to absorb losses and the right to receive benefits that are significant to the entities. The other equity holder's interests are reflected in "net earnings (loss) attributable to noncontrolling interests" in the Consolidated Statement of Operations and "Noncontrolling interest" in the Consolidated Balance Sheets. Assets held by the VIEs are only available to settle obligations of the respective entities. Holders of liabilities of these VIEs do not have recourse to the Company.

The following is a summary of these VIE's assets and liabilities included in the Company's consolidated balance sheets.

(In millions)	Fiscal Year	
	2023	2022
Cash	\$ —	\$ 5.8
Accounts receivable	—	19.7
Inventory	—	16.0
Other current assets	—	2.4
Noncurrent assets	—	0.8
Assets held for sale	51.6	—
Total assets	51.6	44.7
Current liabilities	—	9.6
Noncurrent liabilities	—	1.6
Liabilities held for sale	15.4	—
Total liabilities	\$ 15.4	\$ 11.2

### Nonconsolidated VIEs

The Company also has two joint ventures that are VIEs that are not consolidated as the Company does not have the power to direct the most significant activities that impact the VIEs' economic performance. The two VIEs distribute footwear and apparel products in the Asia Pacific region. The Company's consolidated balance sheets in 2022 included \$8.1 million in Other Assets related to VIEs for which the Company is not the primary beneficiary. The Company has determined that the VIEs that are not consolidated meet the criteria to be classified as held for sale as of year-end fiscal 2023, refer to Note 20, "Divestitures and Assets and Liabilities Held for Sale" for additional discussion.

## Related Party Transactions

In the normal course of business, the Company enters into transactions with related party equity affiliates. Related party transactions consist of the sale of goods, made at arm's length, and other arrangements. For the fiscal years ended December 30, 2023 and December 31, 2022 the Company recognized net sales to equity affiliates totaling \$66.5 million and \$35.5 million, respectively.

The following table summarizes related party transactions included in the consolidated balance sheets.

(In millions)	Fiscal Year	
	2023	2022
Accounts receivable due from related parties	\$ 15.4	\$ 18.1
Long term liabilities due to related parties	1.4	—
Long term assets due from related parties	—	1.6

## 20. DIVESTITURES AND ASSETS AND LIABILITIES HELD FOR SALE

### Divestiture of Keds® Business

On February 7, 2023 the Company entered into an Asset Purchase Agreement with Designer Brands, Inc. (the "Buyer") pursuant to which the Buyer agreed to purchase the global *Keds*® business. The sale was effective as of February 4, 2023, in accordance with the terms and conditions of the Asset Purchase Agreement.

The following table summarizes the net gain recognized in connection with the divestiture:

(In millions)	
Net proceeds	\$ 83.4
Net assets disposed	(65.9)
Direct costs to sell	(1.6)
AOCI reclassification adjustment, foreign currency translation	4.2
Gain on sale of business	\$ 20.1

The Company determined that the divestiture of the *Keds*® business did not represent a strategic shift that had or will have a major effect on the Consolidated Results of Operations, and therefore results were not classified as discontinued operations. The proceeds from the sales were used to reduce outstanding borrowings under the Revolving Facility.

### Divestiture of U.S. Wolverine Leathers Business

On August 23, 2023, the Company completed the sale of its U.S. performance leathers business to its long-time customer, New Balance. The Company received \$4.0 million in cash for the sale and recognized a gain on sale of \$1.9 million. The assets sold, which were included in the Other segment category, consist of \$2.1 million in inventory.

### Divestiture of Hush Puppies® intellectual property in China, Hong Kong, and Macau

On September 1, 2023, the Company entered into an asset purchase agreement to sell the *Hush Puppies*® trademarks, patents, copyrights and domains in China, Hong Kong and Macau to its current sublicensee, Beijing Jiaman Dress Co., Ltd. for cash of \$58.8 million and recognized a gain on sale of \$55.8 million. The gain on sale is net of transaction related fees of \$3.0 million. The transaction closed on September 14, 2023. The Company continues to own the *Hush Puppies*® brand throughout the rest of the world.

### Sale-Leaseback of Louisville Distribution Facility

On December 28, 2023, the Company completed a sale and leaseback transaction with an independent third party for the land, building and related fixed assets of its distribution center located in Louisville, Kentucky for a sale price of \$23.5 million. The distribution center was leased back to the Company via a two year lease agreement which includes a one year renewal option.

The transaction qualifies for sales recognition under the sale leaseback accounting requirements and the Company recorded a gain of \$12.6 million.

#### **Divestiture of Asia-based Leathers Business**

On December 14, 2023, the Company completed the sale of its Asia-based performance leathers business to Interhides Public Company Limited, a current materials vendor of the Company. The Company received \$8.2 million in cash for the sale. The assets sold, which were included in the Other segment category, consist of \$8.2 million in inventory.

#### **Assets and Liabilities Held for Sale**

On January 10, 2024, the Company completed the sale of the global *Sperry*<sup>®</sup> business and as of fiscal 2023 year-end, determined that the *Sperry*<sup>®</sup> business met the criteria to be classified as held for sale. The Company received gross proceeds of \$97.4 million in cash, subject to customary purchase price adjustments. The Company determined that the divestiture of the *Sperry*<sup>®</sup> business does not represent a strategic shift that had or will have a major effect on the consolidated condensed results of operations, and therefore results of this business were not classified as discontinued operations.

Upon classification as held for sale, the Company compared the *Sperry*<sup>®</sup> business' carrying value with its fair value, less costs to sell. Based upon the selling price, the Company estimated implied losses in excess of the carrying value of the *Sperry*<sup>®</sup> business' long-lived assets. As a result, the Company recorded non-cash impairment charges totaling \$95.0 million during fiscal 2023 to reduce the net carrying value of the *Sperry*<sup>®</sup> business' long-lived assets to zero. Also during fiscal 2023, the Company recorded an impairment charge of \$11.0 million related to assets that will not convey as part of the *Sperry*<sup>®</sup> sale transactions and are not expected to be used within the Company's other businesses. These charges are reported within the impairment of long-lived assets line on the consolidated statements of operations. This write-down includes a \$1.0 million loss related to currency translation adjustments in accumulated other comprehensive loss.

On December 17, 2023, the Company entered into an agreement to sell the Company's equity interest in the Merrell and Saucony China joint venture entities to Xtep International Holdings Limited ("Xtep"), its joint venture partner. On January 1, 2024, the Company completed the sale of and received cash of \$22.0 million. The Company has determined that the Merrell and Saucony China joint venture entities meet the criteria to be classified as held for sale as of year-end 2023, and therefore have reclassified the related assets and liabilities as held for sale on the Consolidated Balance Sheets. The Company determined that the planned divestiture does not represent a strategic shift that had or will have a major effect on the consolidated condensed results of operations, and therefore results of this business were not classified as discontinued operations.

The *Keds*<sup>®</sup> business and the performance leathers business met the criteria to be classified as held for sale as of year end 2022, and therefore reclassified the related assets and liabilities as held for sale on the Consolidated Balance Sheets as of year end 2022. As noted above, the Company completed the sale of both the *Keds*<sup>®</sup> business and performance leathers business in fiscal 2023.

The following is a summary of the major categories of assets and liabilities that have been classified as held for sale on the consolidated condensed balance sheets:

(In millions)	Fiscal Year	
	2023	2022
Cash and cash equivalents	\$ 5.6	\$ 4.0
Accounts receivables, net	15.4	3.5
Inventories	83.3	43.1
Other current assets	2.9	—
Property, plant and equipment, net	3.8	—
Lease right-of-use assets	7.6	—
Goodwill	43.0	—
Indefinite-lived intangibles	67.0	11.4
Amortizable intangibles, net	21.0	—
Other assets	7.8	5.9
Impairment of carrying value	(96.8)	—
Total assets held for sale	160.6	67.9
Accounts payable	4.8	8.1
Lease liabilities	9.0	—
Accrued liabilities	9.0	0.7
Other liabilities	1.4	—
Total liabilities held for sale	\$ 24.2	\$ 8.8

## 21. SUBSEQUENT EVENT

On January 10, 2024, the Company entered into a Purchase Agreement with ABG Intermediate Holdings 2 LLC, an affiliate of Authentic Brands Group LLC. (the "ABG Buyer"), pursuant to which the ABG Buyer agreed to purchase all of the outstanding equity of certain subsidiaries of the Company that own or hold for use intellectual property used by the Company exclusively in the footwear, apparel, and accessories business conducted by the Company under the *Sperry*® brand. In addition, on January 10, 2024 the Company entered into an Inventory Purchase Agreement with Aldo U.S. Inc., an affiliate of the Aldo Group (the "Aldo Buyer"), pursuant to which the Aldo Buyer agreed to purchase certain inventory and other assets of the *Sperry*® business, and to assume certain contracts of the *Sperry*® business, including *Sperry*® retail store leases. The aggregate purchase price under these two purchase agreements was approximately \$97.4 million in cash, subject to customary purchase price adjustments.

On December 17, 2023, the Company and Xtep entered into a Purchase Agreement pursuant to which Xtep agreed to purchase the Company's equity interest in the Merrell and Saucony joint venture entities (Saucony Brand Operations Ltd., Saucony Distribution Operations Ltd., Merrell Brand Operations Ltd. and Merrell Distribution Operations Ltd.), transitioning the business from a joint venture model to a license and distribution rights model under which Xtep will exclusively carry out the development, marketing and distribution of footwear, apparel and accessories for the Saucony and Merrell brands in China. The purchase price was approximately \$22.0 million in cash, and the sale was effective January 1, 2024, in accordance with the terms and conditions of the Purchase Agreement.

## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Wolverine World Wide, Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Wolverine World Wide, Inc. and subsidiaries (the Company) as of December 30, 2023 and December 31, 2022, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 30, 2023 and December 31, 2022, and the results of its operations and its cash flows for the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022, in conformity with U.S. generally accepted accounting principles.

We also have 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 December 30, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 22, 2024 expressed an unqualified opinion thereon.

### 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.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### ***Valuation of goodwill and indefinite-lived intangibles***

#### ***Description of the Matter***

At December 30, 2023, the Company's goodwill and indefinite-lived intangible assets were \$427.1 million and \$174.1 million, respectively. During 2023, the Company recognized impairment charges of \$38.3 million associated with its Sperry indefinite-lived intangible asset. As discussed in Notes 1 and 4 of the consolidated financial statements, goodwill and indefinite-lived intangibles are tested for impairment at least annually. The impairment test for goodwill consists of measuring the fair value of the reporting unit and comparing it to the reporting unit's carrying amount. The impairment test for indefinite-lived intangible assets consists of measuring the fair value of the asset and comparing it to the asset's carrying amount.

Auditing management's annual impairment tests for goodwill and indefinite-lived intangible assets was complex due to the significant estimation uncertainty required in determining the fair values of certain reporting units and the Sperry and Sweaty Betty trade names. The significant assumptions used to estimate the fair values of certain reporting units and the Sperry and Sweaty Betty trade names included the forecasted revenue growth, EBITDA margin, and discount rate. These significant assumptions are forward-looking and could be affected by future economic and market conditions. Changes in these assumptions could have a significant impact on the fair values of certain reporting units and the Sperry and Sweaty Betty trade names, the amount of any impairment charge, or both.

#### ***How We Addressed the Matter in Our Audit***

We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's controls over the impairment review process. For example, we tested controls that address the risk of material misstatement relating to the valuation of certain reporting units and the Sperry and Sweaty Betty trade names, including management's review of the significant assumptions described above and the completeness and accuracy of the data used to develop such estimates.

To test the estimated fair values of certain reporting units and the Sperry and Sweaty Betty trade names, our audit procedures included, among others, assessing the appropriateness of the valuation model used, evaluating the significant assumptions discussed above, and evaluating the completeness and accuracy of the underlying data supporting the significant assumptions and estimates. We compared the financial projections to current industry and economic trends and the historical accuracy of management's estimates. We involved our valuation specialists to assist in our evaluation of the Company's model, valuation methodology and the discount rate.

/s/ Ernst & Young LLP

We have served as the Company's auditor since at least 1933, but we are unable to determine the specific year.

Grand Rapids, Michigan  
February 22, 2024

## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Wolverine World Wide, Inc.

### Opinion on Internal Control Over Financial Reporting

We have audited Wolverine World Wide, Inc. and subsidiaries' internal control over financial reporting as of December 30, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Wolverine World Wide, Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 30, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 30, 2023 and December 31, 2022, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity and cash flows for each of the fiscal years ended December 30, 2023, December 31, 2022, and January 1, 2022, and the related notes and financial statement schedule listed in the Index at Item 15(a)(2) and our report dated February 22, 2024 expressed an unqualified opinion thereon.

### 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/ Ernst & Young LLP

Grand Rapids, Michigan  
February 22, 2024

**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure**

None.

**Item 9A. Controls and Procedures****Evaluation of Disclosure Controls and Procedures**

An evaluation was performed under the supervision, and with the participation, of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on and as of the time of such evaluation, the Company's management, including the Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this Annual Report on Form 10-K.

**Management's Report on Internal Control Over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Securities Exchange Act Rule 13a-15(f). Under the supervision and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, the Company conducted an evaluation of the effectiveness of internal control over financial reporting as of December 30, 2023, based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework (2013 framework). Based on that evaluation, management, including the Chief Executive Officer and Chief Financial Officer, concluded that internal control over financial reporting was effective as of December 30, 2023.

The effectiveness of the Company's internal control over financial reporting as of December 30, 2023 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in its report, which is included in Item 8 of this Annual Report on Form 10-K and is incorporated herein by reference.

**Changes in Internal Control Over Financial Reporting**

There was no change in the Company's internal control over financial reporting that occurred during the quarter ended December 30, 2023 that has materially affected, or that is reasonably likely to materially affect, the Company's internal control over financial reporting.

**Item 9B. Other Information**

(c) During the quarter ended December 30, 2023, no director or Section 16 officer of the Company adopted or terminated a Rule 10b5-1 trading arrangement or a non-rule 10b5-1 trading arrangement, in each case, as defined in Item 408(a) of Regulation S-K.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

**PART III****Item 10. Directors, Executive Officers and Corporate Governance**

The information called for by Item 10 is incorporated herein by reference to the Definitive Proxy Statement of the Company relating to the Annual Meeting of Stockholders of Wolverine World Wide, Inc. expected to be held on May 2, 2024 in sections "Election of Directors" and "Corporate Governance". The Company intends to file such Definitive Proxy Statement with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

We have adopted a Code of Business Conduct that applies to all of our directors, officers and employees, including our principal executive, principal financial and principal accounting officers, or persons performing similar functions. Our Code of Business Conduct is posted on our website located at <http://www.wolverineworldwide.com/investor-relations/corporate-governance/>. We intend to disclose future amendments to certain provisions of the Code of Business Conduct, and waivers of the Code of Business Conduct granted to executive officers and directors, on the website within four business days following the date of the amendment or waiver.

**Item 11. Executive Compensation**

The information called for by Item 11 is incorporated herein by reference to the Definitive Proxy Statement referenced above in Item 10 in section "Compensation Discussion and Analysis".



**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information called for by Item 12 is incorporated herein by reference to the Definitive Proxy Statement referenced above in Item 10 in section "Securities Ownership in Officers and Directors and Certain Beneficial Owners".

**Equity Compensation Plan Information**

The following table provides information about the Company's equity compensation plans as of December 30, 2023:

Plan Category <sup>(1)</sup>	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans Excluding Securities Reflected in Column (a) (c)
Equity compensation plans approved by security holders	1,961,016 <sup>(2), (3)</sup>	\$22.56	8,085,425 <sup>(4)</sup>
Equity compensation plans not approved by security holders	—	—	—
<b>Total</b>	<b>1,961,016</b>	<b>\$22.56</b>	<b>8,085,425</b>

<sup>(1)</sup> Each plan for which aggregated information is provided contains customary anti-dilution provisions that are applicable in the event of a stock split, stock dividend or certain other changes in the Company's capitalization.

<sup>(2)</sup> Includes: (i) 1,772,382 stock options awarded to employees under the Stock Incentive Plan of 2013 and the Stock Incentive Plan of 2016, as amended and restated; and (ii) 188,634 stock options awarded to non-employee directors under the Stock Incentive Plan of 2013 and the Stock Incentive Plan of 2016, as amended and restated. Column (a) does not include stock units credited to outside directors' fee accounts or retirement accounts under the Outside Directors' Deferred Compensation Plan. Stock units do not have an exercise price. Each stock unit credited to a director's fee account and retirement account under the Outside Directors' Deferred Compensation Plan will be converted into one share of common stock upon distribution. Column (a) also does not include shares of restricted or unrestricted common stock previously issued under the Company's equity compensation plans.

<sup>(3)</sup> Of this amount, 10,959 options were not exercisable as of December 30, 2023 due to vesting restrictions.

<sup>(4)</sup> Comprised of: (i) 93,742 shares available for issuance under the Outside Directors' Deferred Compensation Plan upon the retirement of the current directors or upon a change in control; and (ii) 7,991,683 shares issuable under the Stock Incentive Plan of 2016, as amended and restated.

The Outside Directors' Deferred Compensation Plan is a supplemental, unfunded, nonqualified deferred compensation plan for non-employee directors. Beginning in 2006, the Company began paying an annual equity retainer to non-management directors in the form of a contribution under the Outside Directors' Deferred Compensation Plan. Non-management directors may also voluntarily elect to receive, in lieu of some or all directors' fees, a number of stock units equal to the amount of the deferred directors' fees divided by the fair market value of the Company's common stock on the date of payment. These stock units are increased by a dividend equivalent based on dividends paid by the Company and the amount of stock units credited to the participating director's fee account and retirement account. Upon distribution, the participating directors receive a number of shares of the Company's common stock equal to the number of stock units to be distributed at that time. Distribution is triggered by termination of service as a director or by a change in control of the Company and can occur in a lump sum, in installments or on another deferred basis. A total of 303,702 shares have been issued to a trust to satisfy the Company's obligations when distribution is triggered and are included in shares the Company reports as issued and outstanding.

The Stock Incentive Plan of 2016, as amended and restated, is an equity-based incentive plan for officers, key employees, and directors. Such plan authorizes awards of stock options, restricted common stock, common stock, restricted stock units and/or stock appreciation rights. The Stock Incentive Plan of 2016, as amended and restated, provides that each share of restricted or unrestricted common stock and each restricted stock unit issued under the plan is counted as 2.6 shares against the total number of shares authorized for issuance under the plan. The number of securities listed as remaining available in column (c) of the table assumes only stock options will be issued under the plan in the future; each stock option counts as only one share against the total number of shares authorized for issuance under the plan. Actual shares available under the plan will be less to the extent that the Company awards restricted common stock, unrestricted common stock or restricted stock units under the plan. The numbers provided in this footnote and in column (c) will increase to the extent that options relating to the number of shares listed in column (a) of the table or other outstanding awards (e.g., shares of restricted or unrestricted stock, restricted stock units or stock appreciation rights) previously issued under the plan are canceled, surrendered, modified, exchanged for substitutes, expire or terminate prior to exercise or vesting because the number of shares underlying any such awards will again become available for issuance under the plan under which the award was granted.

Of the total number of shares available under column (c), the number of shares with respect to the following plans may be issued other than upon the exercise of an option, warrant or right outstanding as of December 30, 2023:

- Outside Directors' Deferred Compensation Plan: 93,742
- Stock Incentive Plan of 2016, as amended and restated: 3,073,724

#### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

The information called for by Item 13 is incorporated herein by reference to the Definitive Proxy Statement referenced above in Item 10 in sections "Related Party Matters" and "Director Independence".

#### **Item 14. Principal Accountant Fees and Services**

The information called for by Item 14 is incorporated herein by reference to the Definitive Proxy Statement referenced above in Item 10 in section "Independent Registered Public Accounting Firm".

### **PART IV**

#### **Item 15. Exhibits, Financial Statement Schedules**

(a) The following documents are filed as part of this report:

**(1) Financial Statements** Included in Item 8

The following consolidated financial statements of Wolverine World Wide, Inc. and its subsidiaries are filed as a part of this report:

- Consolidated Statements of Operations for the Fiscal Years Ended December 30, 2023, December 31, 2022 and January 1, 2022.
- Consolidated Statements of Comprehensive Income (Loss) for the Fiscal Years Ended December 30, 2023, December 31, 2022 and January 1, 2022.
- Consolidated Balance Sheets as of December 30, 2023 and December 31, 2022.
- Consolidated Statements of Cash Flows for the Fiscal Years Ended December 30, 2023, December 31, 2022 and January 1, 2022.
- Consolidated Statements of Stockholders' Equity for the Fiscal Years Ended December 30, 2023, December 31, 2022 and January 1, 2022.
- Notes to the Consolidated Financial Statements.
- Reports of Independent Registered Public Accounting Firm.

**(2) Financial Statement Schedules** Attached as Appendix A

The following consolidated financial statement schedule of Wolverine World Wide, Inc. and its subsidiaries is filed as a part of this report:

- Schedule II - Valuation and Qualifying Accounts.

All other schedules (I, III, IV, and V) for which provision is made in the applicable accounting regulations of the SEC are not required under the related instructions or are inapplicable and, therefore, have been omitted.

**(3) Exhibits**

The following exhibits are filed with this Annual Report or incorporated by reference. The Company will furnish a copy of any exhibit listed below to any stockholder without charge upon written request to General Counsel and Secretary, 9341 Courtland Drive N.E., Rockford, Michigan 49351.

<b>Exhibit Number</b>	<b>Document</b>
2.1	<a href="#"><u>Share Purchase Agreement, dated as of July 31, 2021 by and among the Institutional Sellers, the Management Sellers, and Wolverine World Wide, Inc. Incorporated by reference to Exhibit 2.1 to the Company's Quarterly Report on Form 10-Q for the period ended October 2, 2021.</u></a>
2.2	<a href="#"><u>Management Warranty Deed, dated as of July 31, 2021, by and among the Warrantors and Wolverine World Wide, Inc. Incorporated by reference to Exhibit 2.2 to the Company's Quarterly Report on Form 10-Q for the period ended October 2, 2021.</u></a>

Exhibit Number	Document
3.1	<a href="#"><u>Amended and Restated Certificate of Incorporation. Incorporated by reference to Exhibit 3.1 to the Company's current report on Form 8-K filed on April 24, 2014.</u></a>
3.2	<a href="#"><u>Amended and Restated By-laws. Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 7, 2022.</u></a>
4.1	<a href="#"><u>Description of the Registrant's Securities Registered Pursuant To Section 12 of The Securities Exchange Act of 1934. Incorporated by reference to Exhibit 4.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2019.</u></a>
4.2	<a href="#"><u>Senior Notes Indenture, dated August 26, 2021, among Wolverine World Wide, Inc., the guarantors named therein, and The Huntington National Bank. Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 26, 2021.</u></a>
4.3	<a href="#"><u>Form of 4.000% Senior Notes due 2029. Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on August 26, 2021.</u></a>
10.1	<a href="#"><u>Amended and Restated Outside Directors' Deferred Compensation Plan.* Incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2007.</u></a>
10.2	<a href="#"><u>Outside Directors' Deferred Compensation Plan * Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 17, 2008.</u></a>
10.3	<a href="#"><u>Wolverine World Wide, Inc. Deferred Compensation Plan, Amended and Restated.* Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 13, 2018.</u></a>
10.4	<a href="#"><u>First Amendment to the Wolverine World Wide, Inc. Deferred Compensation Plan, dated as of December 29, 2020.* Incorporated by reference to Exhibit 10.35 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 2021.</u></a>
10.5	<a href="#"><u>Amended and Restated Stock Option Loan Program * Incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the fiscal year ended December 29, 2007.</u></a>
10.6	<a href="#"><u>Separation Agreement between Wolverine World Wide, Inc. and James D. Zwiers dated as of December 19, 2023.*</u></a>
10.7	<a href="#"><u>Executive Severance Agreement.* Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on December 17, 2008. A participant schedule of current executive officers who are parties to this agreement is attached as Exhibit 10.7.</u></a>
10.8	<a href="#"><u>Executive Severance Agreement.* Incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011. A participant schedule of current executive officers who are parties to this agreement is attached as Exhibit 10.8.</u></a>
10.9	<a href="#"><u>Executive Severance Agreement between Brendan Hoffman and the Company, dated August 7, 2020.* Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 13, 2020.</u></a>
10.10	<a href="#"><u>Amendment, dated as of March 25, 2021, to the Executive Severance Agreement between Brendan Hoffman and the Company, dated as of September 8, 2020.* Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 26, 2021.</u></a>
10.11	<a href="#"><u>Form of Indemnification Agreement.* The Company has entered into an Indemnification Agreement with each director and certain executive officers. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 25, 2007. All executive officers and directors are parties to this agreement.</u></a>
10.12	<a href="#"><u>Indemnification Agreement between Brendan Hoffman and the Company, dated August 7, 2020.* Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 13, 2020.</u></a>
10.13	<a href="#"><u>Employment Agreement between Isabel Soriano and the Company.* Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended April 2, 2022.</u></a>
10.14	<a href="#"><u>Employment Agreement between Christopher E. Hufnagel and the Company, dated September 7, 2023.* Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2023.</u></a>
10.15	<a href="#"><u>Amended and Restated Benefit Trust Agreement dated April 25, 2007.* Incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on April 25, 2007.</u></a>
10.16	<a href="#"><u>409A Supplemental Executive Retirement Plan (2008 Restatement through First Amendment).* Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 2017. A participant schedule of current executive officers who participate in this plan is attached as Exhibit 10.16.</u></a>

Exhibit Number	Document
10.17	<a href="#"><u>Employees' Pension Plan (Restated as amended through December 29, 2017). * Incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2017.</u></a>
10.18	<a href="#"><u>Sixth Amendment to the Wolverine Employees' Pension Plan. * Incorporated by reference to Exhibit 10.34 to the Company's Form 10-K for the fiscal year ended December 29, 2018.</u></a>
10.19	<a href="#"><u>First Amendment to the Wolverine Employees' Pension Plan, dated as of December 2, 2020. * Incorporated by reference to Exhibit 10.41 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 2021.</u></a>
10.20	<a href="#"><u>Second Amendment to the Wolverine Employees' Pension Plan, dated as of December 9, 2021. * Incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K for the fiscal year ended January 1, 2022.</u></a>
10.21	<a href="#"><u>Stock Incentive Plan of 2010. * Incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-8 filed on March 4, 2010.</u></a>
10.22	<a href="#"><u>Amended and Restated Stock Incentive Plan of 2013. * Incorporated by reference to Exhibit 10.38 to the Company's Form 10-K for the fiscal year ended December 28, 2013.</u></a>
10.23	<a href="#"><u>2016 Form of Non-Qualified Stock Option Agreement. * Incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K for the fiscal year ended January 2, 2016.</u></a>
10.24	<a href="#"><u>Wolverine World Wide, Inc. Stock Incentive Plan of 2016, as amended and restated. * Incorporated by reference to Appendix B to the Company's Definitive Proxy Statement filed on March 26, 2021.</u></a>
10.25	<a href="#"><u>2018 Form of Restricted Stock Unit Agreement. * Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2018.</u></a>
10.26	<a href="#"><u>2019 Form of Restricted Stock Unit Agreement. * Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 30, 2019.</u></a>
10.27	<a href="#"><u>2020 Form of Restricted Stock Unit Agreement. * Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 28, 2020.</u></a>
10.28	<a href="#"><u>2020 Form of Restricted Stock Agreement. * Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 22, 2020.</u></a>
10.29	<a href="#"><u>2021 Form of Restricted Stock Unit Agreement. * Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended April 3, 2021.</u></a>
10.30	<a href="#"><u>2022 Form of Restricted Stock Unit Agreement. * Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended April 2, 2022.</u></a>
10.31	<a href="#"><u>2023 Form of Restricted Stock Unit Agreement. * Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 2023.</u></a>
10.32	<a href="#"><u>Form of Performance Stock Unit Agreement (2021 performance period). * Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended April 3, 2021.</u></a>
10.33	<a href="#"><u>Form of Performance Stock Unit Agreement (2021 - 2022 performance period). * Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended April 3, 2021.</u></a>
10.34	<a href="#"><u>Form of Performance Stock Unit Agreement (2021 - 2023 performance period). * Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the period ended April 3, 2021.</u></a>
10.35	<a href="#"><u>Form of Performance Stock Unit Agreement (2022 - 2024 performance period). * Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended April 2, 2022.</u></a>
10.36	<a href="#"><u>Form of Performance Stock Unit Agreement (2023 - 2025 performance period). * Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 2023.</u></a>
10.37	<a href="#"><u>Credit Agreement, dated as of July 31, 2012, by and among Wolverine World Wide, Inc., as borrower, JPMorgan Chase Bank, N.A., as administrative agent and as a lender, J.P. Morgan Europe Limited, as foreign currency agent, Wells Fargo Bank, National Association, as syndication agent and as a lender, Fifth Third Bank as documentation agent and as a lender, and PNC Bank, National Association, as documentation agent and as a lender. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 1, 2012.</u></a>

Exhibit Number	Document
10.38	<a href="#"><u>First Amendment to Credit Agreement, dated as of September 28, 2012, by and among Wolverine World Wide, Inc., as borrower, JPMorgan Chase Bank, N.A., as administrative agent and as a lender, J.P. Morgan Europe Limited, as foreign currency agent, Wells Fargo Bank, National Association, as syndication agent and as a lender, Fifth Third Bank as documentation agent and as a lender, and PNC Bank, National Association, as documentation agent and as a lender. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 4, 2012.</u></a>
10.39	<a href="#"><u>Second Amendment to the Credit Agreement, dated as of October 8, 2012, among Wolverine World Wide, Inc., as borrower, JPMorgan Chase Bank, N.A., as administrative agent and as a lender, J.P. Morgan Europe Limited, as foreign currency agent, Wells Fargo Bank, National Association, as syndication agent and as a lender, Fifth Third Bank, as documentation agent and as a lender, and PNC Bank, National Association, as documentation agent and as a lender. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 9, 2012.</u></a>
10.40	<a href="#"><u>Replacement Facility Amendment, dated as of October 10, 2013, to the Amended and Restated Credit Agreement among Wolverine World Wide, Inc., the lenders party thereto, and JPMorgan Chase Bank, N.A. as administrative agent. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 11, 2013.</u></a>
10.41	<a href="#"><u>Omnibus Amendment, dated as of December 19, 2014 to the Amended and Restated Credit Agreement dated as of October 10, 2013 among Wolverine World Wide, Inc., the lenders party thereto, Wells Fargo Bank, National Association, as syndication agent, Bank of America, N.A., Fifth Third Bank, PNC Bank, National Association, Sumitomo Mitsui Banking Corporation, Union Bank, N.A., And BBVA Compass Bank, as co-documentation agents, J.P. Morgan Europe Limited, as foreign currency agent, and JPMorgan Chase Bank, N.A., as administrative agent. Incorporated by reference to Exhibit 10.45 to the Company's Annual Report on Form 10-K filed on March 3, 2015.</u></a>
10.42	<a href="#"><u>Replacement Facility Amendment, dated as of July 13, 2015, among Wolverine World Wide, Inc., JP Morgan Chase Bank, N.A., as administrative agent and as a lender, J.P. Morgan Europe Limited, as foreign currency agent, Wells Fargo Bank, National Association and MUFG Union Bank, N.A., as co-syndication agents and lenders, and the other lenders party thereto. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 15, 2015.</u></a>
10.43	<a href="#"><u>First Amendment, dated September 15, 2016, to the Amended and Restated Credit Agreement, dated July 13, 2015, among Wolverine World Wide, Inc., as parent borrower, the several banks and other financial institutions or entities from time to time parties thereto, the several agents and other financial institutions or entities from time to time parties thereto, J.P. Morgan Europe Limited, as foreign currency agent, and JPMorgan Chase Bank, N.A., as administrative agent. Incorporated by reference to Exhibit 10.1 to the Company Current Report on Form 8-K, filed on September 19, 2016.</u></a>
10.44	<a href="#"><u>2018 Replacement Facility Amendment, dated as of December 6, 2018 among the Company, JP Morgan Chase Bank, N.A., as administrative agent and as a lender, Wells Fargo Bank, National Association, Bank of America, N.A. and HSBC Bank USA, N.A., as co-syndication agents and lenders, and the other lenders party thereto. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 11, 2018.</u></a>
10.45	<a href="#"><u>Second Amendment, dated as of May 5, 2020, to the Amended and Restated Credit Agreement, dated as of December 6, 2018, among Wolverine World Wide, Inc., as parent borrower, JPMorgan Chase Bank, N.A., as administrative agent and as a lender, the other borrowers party thereto, and the other lenders party thereto. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on May 6, 2020.</u></a>
10.46	<a href="#"><u>2021 Replacement Facility Amendment and Reaffirmation Agreement, dated as of October 21, 2021, among Wolverine World Wide, Inc., as parent borrower, the Additional Borrowers party thereto, JP Morgan Chase Bank, N.A., as administrative agent and as a lender, and the other lenders party thereto. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed on October 25, 2021.</u></a>
10.47	<a href="#"><u>Cover Amendment to the Credit Agreement, dated as of April 10, 2023, among Wolverine World Wide, Inc., as borrower, JPMorgan Chase Bank, N.A., as administrative agent and as a lender, J.P. Morgan Europe Limited, as foreign currency agent, Wells Fargo Bank, National Association, as syndication agent and as a lender, Fifth Third Bank, as documentation agent and as a lender, and PNC Bank, National Association, as documentation agent and as a lender. Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the period ended July 1, 2023.</u></a>
10.48	<a href="#"><u>Fourth Amendment to the Credit Agreement, dated as of June 30, 2023, among Wolverine World Wide, Inc. as borrower, JP Morgan Chase Bank, N.A., as administrative agent and as a lender, J.P. Morgan Europe Limited, as foreign currency agent, Wells Fargo Bank, National Association, as syndication agent and as a lender, Fifth Third Bank, as documentation agent and as a lender, and PNC Bank, National Association, as documentation agent and as a lender. Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the period ended July 1, 2023.</u></a>

Exhibit Number	Document
10.49	<a href="#"><u>Fifth Amendment to the Credit Agreement, dated as of December 21, 2023, among Wolverine World Wide, Inc. as borrower, JP Morgan Chase Bank, N.A., as administrative agent and as a lender, J.P. Morgan Europe Limited, as foreign currency agent, Wells Fargo Bank, National Association, as syndication agent and as a lender, Fifth Third Bank, as documentation agent and as a lender, and PNC Bank, National Association, as documentation agent and as a lender.</u></a>
10.50	<a href="#"><u>Receivables Purchase Agreement dated as of December 7, 2022, among Wolverine World Wide, Inc. and certain of its subsidiaries as sellers, and Wells Fargo Bank, N.A. as purchaser. Incorporated by reference to Exhibit 10.46 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.</u></a>
10.51	<a href="#"><u>First Amendment, dated as of June 30, 2023, to the Receivables Purchase Agreement dated as of December 7, 2022, among Wolverine World Wide, Inc. and certain of its subsidiaries as sellers, and Wells Fargo, N.A. as purchaser. Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the period ended July 1, 2023.</u></a>
10.52	<a href="#"><u>Amended and Restated Executive Short-Term Incentive Plan (Annual Bonus Plan).*</u> Incorporated by reference to Appendix A to the Company's Definitive Proxy Statement filed on March 28, 2017.</a>
10.53	<a href="#"><u>Wolverine World Wide, Inc. Amended and Restated Executive Short-Term Incentive Plan (Annual Bonus Plan).*</u> Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended June 29, 2019.</a>
10.54	<a href="#"><u>Consent Decree by and among Wolverine World Wide, Inc., the State of Michigan, Plainfield Charter Township, and Algoma Township. Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 7, 2020.</u></a>
10.55	<a href="#"><u>Employment Agreement between Brendan Hoffman and the Company.*</u> Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended September 26, 2020.</a>
10.56	<a href="#"><u>Amended Employment Agreement between Brendan Hoffman and the Company.*</u> Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 23, 2021.</a>
10.57	<a href="#"><u>Trademark Acquisition Agreement by and among SR Holdings, LLC, Keds, LLC, Hanesbrands, Inc. and HBI Branded Apparel Enterprises, LLC dated June 30, 2022. Incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K filed on June 30, 2022.</u></a>
10.58	<a href="#"><u>Asset Purchase Agreement dated as of February 7, 2023, among Wolverine World Wide, Inc. and certain of its subsidiaries as sellers, and Vincent Camuto LLC and DBI Brands Management LLC, as purchaser. Incorporated by reference to Exhibit 10.53 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.</u></a>
10.59	<a href="#"><u>Purchase Agreement dated as of January 10, 2024, among Wolverine World Wide, Inc. and certain of its subsidiaries as sellers, and ABG Intermediate Holdings 2 LLC, as purchaser.</u></a>
10.60	<a href="#"><u>Purchase Agreement dated as of January 10, 2024, among Wolverine World Wide, Inc. and certain of its subsidiaries as sellers, and Aldo U.S. Inc., as purchaser.</u></a>
21	<a href="#"><u>Subsidiaries of Registrant</u></a>
23	<a href="#"><u>Consent of Ernst &amp; Young LLP</u></a>
31.1	<a href="#"><u>Certification of Chairman, Chief Executive Officer and President under Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
31.2	<a href="#"><u>Certification of Executive Vice President, Chief Financial Officer and Treasurer under Section 302 of the Sarbanes-Oxley Act of 2002.</u></a>
32	<a href="#"><u>Certification pursuant to 18 U.S.C. § 1350.</u></a>
97	<a href="#"><u>Wolverine World Wide, Inc. Clawback Policy</u></a>
101	The following financial information from the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2023, formatted in Inline XBRL: (i) Consolidated Statements of Operations; (ii) Consolidated Statements of Comprehensive Income (loss); (iii) Consolidated Balance Sheets; (iv) Consolidated Statements of Cash Flows; (v) Consolidated Statements of Stockholders' Equity; and (vi) Notes to Consolidated Financial Statements.
104	The cover page of the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2023, formatted in Inline XBRL (included in Exhibit 101).

\* Management contract or compensatory plan or arrangement.

**Item 16. Form 10-K Summary**

None.

## 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.

WOLVERINE WORLD WIDE, INC.

Date: February 22, 2024

By: /s/ Christopher E. Hufnagel  
Christopher E. Hufnagel  
President and Chief Executive Officer (Principal 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 and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Christopher E. Hufnagel</u> Christopher E. Hufnagel	President and Chief Executive Officer (Principal Executive Officer)	February 22, 2024
<u>/s/ Michael D. Stornant</u> Michael D. Stornant	Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	February 22, 2024
<u>/s/ Nicholas T. Long</u> Nicholas T. Long	Chairman of the Board	February 22, 2024
<u>/s/ Stacia J.P. Andersen</u> Stacia J.P. Andersen	Director	February 22, 2024
<u>/s/ Jeffrey M. Boromisa</u> Jeffrey M. Boromisa	Director	February 22, 2024
<u>/s/ Jodi Bricker</u> Jodi Bricker	Director	February 22, 2024
<u>/s/ William K. Gerber</u> William K. Gerber	Director	February 22, 2024
<u>/s/ David T. Kollat</u> David T. Kollat	Director	February 22, 2024
<u>/s/ Brenda J. Lauderback</u> Brenda J. Lauderback	Director	February 22, 2024
<u>/s/ DeMonty Price</u> DeMonty Price	Director	February 22, 2024
<u>/s/ Kathleen Wilson-Thompson</u> Kathleen Wilson-Thompson	Director	February 22, 2024



**APPENDIX A**  
**Schedule II - Valuation and Qualifying Accounts**  
**Wolverine World Wide, Inc. and Subsidiaries**

(In millions)	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions (Describe)		Balance at End of Period
<b>Fiscal Year Ended December 30, 2023</b>					
Allowance for credit losses	\$ 3.3	\$ 5.0	\$ 2.6 (A)		\$ 5.7
Product returns reserve	15.3	134.6	136.8 (B)		13.1
Allowance for cash discounts and customer markdowns	7.8	14.1	9.3 (C)		12.6
Inventory valuation allowances	33.0	7.9	20.2 (D)		20.7
Total	\$ 59.4	\$ 161.6	\$ 168.9		\$ 52.1
<b>Fiscal Year Ended December 31, 2022</b>					
Allowance for credit losses	\$ 4.0	\$ 1.8	\$ 2.5 (A)		\$ 3.3
Product returns reserve	16.6	106.0	107.3 (B)		15.3
Allowance for cash discounts and customer markdowns	7.7	10.9	10.8 (C)		7.8
Inventory valuation allowances	10.7	30.0	7.7 (D)		33.0
Total	\$ 39.0	\$ 148.7	\$ 128.3		\$ 59.4
<b>Fiscal Year Ended January 1, 2022</b>					
Allowance for credit losses	\$ 6.7	\$ (2.4)	\$ 0.3 (A)		\$ 4.0
Product returns reserve	15.6	52.5	51.5 (B)		16.6
Allowance for cash discounts and customer markdowns	11.2	9.4	12.9 (C)		7.7
Inventory valuation allowances	9.1	5.6	4.0 (D)		10.7
Total	\$ 42.6	\$ 65.1	\$ 68.7		\$ 39.0

- (A) Accounts charged off, net of recoveries.
- (B) Actual customer returns.
- (C) Discounts given to customers.
- (D) Adjustment upon disposal of related inventories.

**WOLVERINE WORLD WIDE INC.**  
**SEPARATION AND RELEASE AGREEMENT**

This Separation and Release Agreement (the “Agreement”) is made by and among Wolverine World Wide, Inc., acting on behalf of itself and its affiliates, subsidiaries, and related companies (collectively, the “Company”) and Jim Zwiers (the “Employee”).

WHEREAS, the Employee’s employment by the Company is expected to end on May 31, 2024; and

WHEREAS, the Company and the Employee wish to fully and finally settle and resolve any and all claims, differences, and disputes between them, including, but not limited to, claims arising out of or relating to the Employee’s employment, terms and conditions of employment, separation from employment or any other event, transaction, or communication between the Company and the Employee; and

WHEREAS, the Company desires to provide the Employee with certain separation benefits in exchanges for the Employee’s execution of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Employee agree as follows:

1. Employee’s Payments and Benefits.

(a) Employment Continuation. Provided the Employee (i) complies with all material Company policies, and (ii) executes and delivers this Agreement, including the First Release and Waiver set forth in Section 12 (the “First Release”), to the Company no later than 5:00 pm EST on January 9, 2024 (the “First Release Date”), then the Employee’s employment by the Company shall end, subject to the terms of this Agreement, on May 31, 2024 (the “Separation Date”), and the Employee shall continue receiving base salary and benefits through that date. The Company reserves the right to terminate the Employee’s employment by the Company prior to the Separation Date if: (i) the Employee enters into new employment; (ii) the Employee breaches any material policy of the Company; or (iii) the Employee breaches any term or condition of this Agreement. Should the Employee die or become permanently disabled prior to the Separation Date, the date of death or permanent disability shall be considered to be the Separation Date.

From December 19, 2023 (the “Determination Date”), through the Separation Date, the Employee’s duties shall be limited to those assigned to the Employee by the President and Chief Executive Officer. Following the Separation Date, the Employee shall have no rights to any compensation, severance, or other benefits not expressly provided in this Agreement.

(b) Separation Payment. Provided the Employee: (i) complies with all of the Employee’s obligations under this Agreement, and (ii) executes and delivers to the Company between the Separation Date and twenty-one (21) days thereafter the Second Release attached as Exhibit A (the “Second Release”), the Company will pay the Employee severance compensation in the amount of \$716,000.22, which shall be paid in twenty-six (26) equal installments of \$27,538.47, on the same bi-weekly schedule as salaried employees, less all applicable deductions for federal, state, and local taxes, social security, wage withholding, and other taxes (“Separation

Payment”), subject to the qualification in the following paragraph. The Separation Payment will be made after the effective date of the Second Release.

The “Separation Payment Period” shall begin on the First Effective Date and shall end on the date of the last scheduled installment of the Separation Payment.

(c) Vacation Pay. After the Separation Date, the Company shall pay the Employee for all 2024 accrued, unused vacation, less applicable deductions for federal, state, and local taxes, social security, wage withholding, and other taxes.

(d) Other. Provided the Employee: (i) complies with all of the Employee’s obligations under this Agreement, (ii) executes and delivers the First Release to the Company between the Determination Date and the First Release Date, (iii) executes and delivers to the Company between the Separation Date and twenty-one (21) days thereafter the Second Release, and (iv) does not revoke either the First or the Second Release, then Company will provide, through the Separation Payment Period, the executive financial counseling and concierge medical benefits currently provided to Employee.

2. Other Benefits; Health Insurance Coverage.

(a) All of the Employee’s Company benefits, including, but not limited to, employee discount, long-term disability, short-term disability and life insurance coverage will cease as of the Separation Date, except to the extent explicitly set forth in this Agreement. The Employee will not continue to earn vacation or other paid time off after the Separation Date. The Employee’s right to contribute to the Company’s 401(k) plan shall cease as of the Separation Date, in accordance with the terms of that plan.

(b) Equity Awards.

(i) The Employee is not and shall not be eligible for or entitled to any awards of stock or other equity or equity-based incentives after the Determination Date.

(ii) Provided the Employee: (i) complies with all of the Employee’s obligations under this Agreement, (ii) executes and delivers to the Company between the Separation Date and twenty-one (21) days thereafter the Second Release, and (iii) does not revoke the Second Release, then the following restricted stock or other equity awards (including any time-vested stock and performance-based stock) that would vest if Employee were still employed through the 12 month anniversary of the Separation Date shall vest, pro-rated in accordance with the terms of the applicable stock agreements and plans:

Grant Date	Grant Type	Scheduled Vest Date	Shares Vested under 2(b)(ii)
2/9/21	RSU	2/9/25	3,897
2/9/22	RSU	2/9/25	4,108
2/9/22	PSU	2/9/25	Prorated; based on performance
2/8/23	RSU	2/8/25	9,511

(iii) The Employee acknowledges and understands that except as explicitly set forth in Section 2(b)(ii) of this Agreement: (x) any restricted stock or other equity awards (including any time-vested and performance-based stock) for which the restrictions have not lapsed as of the Separation Date shall be forfeited to the Company in accordance with the terms of the applicable stock agreements and plans; and (y) any stock options or other equity awards that have not vested as of the Separation Date shall be forfeited to the Company in accordance with the terms of the applicable option agreements and plans.

(c) If enrolled as of the Separation Date, the Employee will be eligible for continued health care coverage, as permitted under the federal Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”). Provided the Employee (i) timely elects to continue receiving group medical coverage and/or dental coverage pursuant to COBRA, (ii) complies with all of the Employee’s obligations under this Agreement, and (iii) executes and delivers to the Company between the Separation Date and twenty-one (21) days thereafter the Second Release, the Company shall pay for the Employee’s COBRA coverage as of the Separation Date through the Separation Payment Period (the “Company Contribution Termination Date”). The Company’s obligation to pay for the Employee’s COBRA coverage, however, shall be reduced by the amount that the Employee will pay toward such coverage, which shall be equal to the amount of the Employee’s medical and/or dental coverage premiums as of the Separation Date. The Employee will be required to pay the Employee’s COBRA contributions directly to the Company’s COBRA administrator each month. As of the Company Contribution Termination Date, all continuing COBRA coverage shall be at the Employee’s sole election and expense. To the extent that the Employee begins new employment on or before the Company Contribution Termination Date, the Employee shall immediately notify the Company of such employment. In the event the Employee becomes eligible for coverage through a new employer, the Employee shall elect such coverage. Upon the Employee electing such coverage, the Company’s obligation to pay for COBRA coverage shall immediately cease. If the Employee timely elects COBRA, the Employee may use any unused balance in the Employee’s Medical Flexible Spending Account.

Notwithstanding the foregoing, if the Employee is eligible for and timely enrolls in any other medical and/or dental insurance plan offered by the Company on or after the Separation Date, the Company shall pay the same amount for the same period of time towards such coverage as it otherwise would towards the Employee’s COBRA coverage under this Section 2(c).

The Company may substitute for its current health insurance plan and/or dental insurance plan such coverage and employee contribution requirements as are then being furnished by the Company to its similarly situated active employees.

(d) Employee will not be eligible for any bonus for fiscal year 2024, including but not limited to any bonuses under the Company’s Administrative Bonus Plan, Amended and Restated Executive Short-Term Incentive Plan, or Amended and Restated Executive Long-Term Incentive Plan.

3. Return of Property. All documents, including memoranda, notes, records, reports, photographs, drawings, plans, papers, or other documents, samples or analyses, or electronically stored information, whether or not they contain Confidential Information, are the property of the Company and must be returned to the Company on or before the Separation Date, as requested by the Company. The Employee shall return to the Company all of its property in the Employee’s possession, including, but not limited to, keys, office equipment, credit cards, personal computers, files, correspondence, customer lists, business notes, documents and all other materials relating to the Company’s business on or before the Separation Date, as requested

by the Company. The Employee shall not keep photocopies, facsimiles or electronically stored forms of any Company materials. Notwithstanding the foregoing, Employee may retain his computer, Ipad and mobile phone once all information of the Company has been cleared from such devices.

4. Outstanding Balances. Prior to the Separation Date, the Employee will reimburse the Company for any outstanding personal expenses the Company paid on behalf of the Employee. The Employee shall pay any balances outstanding for personal purchases or expenses charged to any Company credit card or any business expenses already reimbursed. If the Employee does not pay these expenses in full on or before the Separation Date, the Employee consents to the Company deducting these amounts from the Employee's last paycheck or offsetting these amounts against any other payments due to the Employee.

5. Future Communications. Should inquiries be made of the Company regarding the Employee's employment by the Company, the Company will limit the information it releases to the dates of the Employee's employment and the positions held, except to the extent it is otherwise required by law to release information regarding the Employee's employment.

6. Non-Disparagement. The Employee shall not disparage or defame the Company, its directors, management, employees, products, or services, in any conversation, correspondence, or other form of communication, oral or written, and the Employee shall not do or say anything that could reasonably be expected to disrupt the morale of the employees of the Company or otherwise harm the business interests, goodwill, or reputation of the Company. The Company shall make best efforts to cause its Executive Team not to disparage or defame the Employee in any conversation, correspondence, or other form of communication, oral or written, or to do or say anything that could reasonably be expected to harm the business interests, goodwill, or reputation of the Employee.

7. Compliance with Laws. The Employee acknowledges, affirms, represents, and warrants that to the best of his knowledge at all times during the Employee's employment by the Company, the Employee complied with all state and federal laws applicable to his position as an employee and executive of the Company, conducted himself with the highest degree of fidelity to the Company, committed no acts of theft, embezzlement, misappropriation, insider trading, or other forms of misconduct contrary to the interests of the Company.

8. Confidential Information. The Employee shall not use for personal benefit or another's benefit, or disclose to anyone, any information obtained during the Employee's employment by the Company that is not generally known to the public, including, but not limited to, technical data, methods, processes, software, compositions, equipment, research data, marketing and sales information, product design, development and sourcing information, personnel data, customer lists, books, records, reports, statements, financial and other data, and all the other know-how and trade secrets pertaining in any respect to the Company or the Company's business or customers (collectively, "Confidential Information"). In addition, as of the Determination Date, the Employee shall not disclose the terms or nature of this Agreement to anyone, except as strictly necessary to the Employee's attorneys and tax advisors. Notwithstanding the foregoing, if Employee makes a confidential disclosure of a trade secret or other Confidential Information to a government official or an attorney for the sole purpose of reporting a suspected violation of law, or in a court filing under seal, Employee shall not be held liable under this Agreement or under any federal or state trade secret law for such a disclosure.

9. Non-Solicitation. For the period beginning on the Determination Date and extending through the Separation Payment Period (the "Non-Solicitation Termination Date"), the Employee shall not, without the Company's prior written consent, directly or indirectly: (a)

solicit, hire, cause, or induce, or attempt to solicit, hire, cause, or induce any employee, agent, representative, or contractor, of the Company who was an employee, agent, representative, or contractor of the Company as of the Separation Date, to terminate such person's relationship with the Company or to become employed by any business or person other than the Company; (b) authorize, condone, solicit, or assist in the taking of such actions by any third party, including but not limited to a recruiter or future employer of the Employee; provided, however, that with respect to this Section, a general solicitation or advertisement not specifically targeted to or reasonably expected to specifically target such individuals will not be deemed in and of itself to violate the prohibitions of this Agreement; (c) solicit sales, orders, or other business from, or conduct business with, any Company Customer (as defined below) with respect to products, services or business that are similar or competitive with the products, services or business of the Company; or (d) interfere or attempt to interfere with any transaction, agreement, prospective agreement, business opportunity or business relationship in which the Company or any affiliate was involved during the two (2) years prior to the Separation Date. The Employee acknowledges and agrees that the restriction in this Section is reasonable in light of the Employee's responsibilities with the Company and the scope of the Company's business.

"Customer" is defined as any person, company, or business that placed a wholesale order with any of the Company's brands during the two (2) years prior to the Separation Date.

(b) **Non-Competition.** Employee agrees that for the period beginning on the First Effective Date and continuing through the Separation Payment Period (the "Restriction Period"), Employee will not engage, directly or indirectly, as an owner, manager, proprietor, contractor, more than five percent (5%) shareholder, partner, officer, employee or otherwise (collectively, "Employment") where such Employment (i) involves any of the same or similar activities or functions as Employee performed, supervised, or managed for the Company at any time during the two (2) years preceding the Separation Date, and (ii) is for or on behalf of any business that, directly or indirectly, (a) is engaged in the design, development, manufacturing, marketing, or retail or wholesale sale of footwear or apparel competitive with or substantially similar to the footwear or apparel designed, developed, manufactured, marketed, or sold by the Company, or (b) is engaged in any line of business substantially similar to the lines of business engaged in by the Company (clauses (a) and (b) each being a "Competitor"), where such Competitor did business in any state or country where the Company or its distributors, licensees, or partners did business during Employee's employment. Employee acknowledges and agrees that the restriction in this Section is reasonable in light of the Employee's responsibilities with the Company and the scope of the Company's business.

In the event the Employee breaches this covenant not to compete, the Restriction Period shall automatically toll from the date of the first breach, and all subsequent breaches, until the resolution of the breach through private settlement, judicial or other action, including all appeals. The Restriction Period shall continue upon the effective date of any such judicial settlement or other resolution. The Company has the option, in its sole discretion, to waive (but only in writing) all or any portion of the Restriction Period or to limit the definition of Competitor. The Employee agrees to disclose to the Company the name of any subsequent employer during the Restriction Period, wherever located and regardless of whether such employer is a Competitor.

10. **Enforcement of Covenants.** The Employee acknowledges and affirms that the Employee has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon the Employee pursuant to Sections 6, 7, 8, and 9. The Employee agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information, trade secrets, and other legitimate interests of the Company and its subsidiaries, affiliates, and related parties; that each of them is a significant and material provision of this Agreement, and serves as an

inducement for the Company to enter into this Agreement; and that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area. The Employee further acknowledges that, were the Employee to breach any of the covenants contained in Sections 6, 7, 8, or 9, the damage to the Company would be irreparable. The Employee therefore agrees that in the event of the breach or a threatened breach by the Employee of any of the provisions of Sections 6, 7, 8, or 9, the Company, in addition to any and all other rights remedies available to it at law or equity, shall be entitled to: (a) cease any payments set forth in this Agreement that would otherwise be paid to the Employee after the date of the breach under this Agreement; (b) State or federal court injunctive relief restraining the Employee from further violation of this Agreement, and ordering specific performance of the Employee's obligations under this Agreement; (c) money damages suffered by the Company as a result of the Employee's breach; and (d) reimbursement of court costs and attorney fees and costs reasonably incurred by the Company in securing the Employee's compliance with this Agreement.

No breach of any provision of this Agreement by the Company, or any other claimed breach of contract or violation of law, or change in the nature or scope of the Employee's employment relationship with the Company, shall operate to extinguish the Employee's obligation to comply with Sections 6, 7, 8, or 9.

11. Interpretation by Court. If any provision of this Agreement as applied to the Company or the Employee or to any circumstance shall be adjudged by a court of competent jurisdiction to be invalid or unenforceable, that provision and determination shall in no way affect any other provision of this Agreement, the application of such provision in any other circumstances, or the validity or enforceability of this Agreement. The Company and the Employee agree that the provisions of this Agreement are reasonable and they intend this Agreement to be enforced as written. If, however, any provision, or any part of a provision is held to be unenforceable because of its duration or the types of activities restricted by it, all parties agree that a court of competent jurisdiction making such determination shall have and should exercise the power to (a) reduce the duration of the provision or types of activities restricted to the maximum duration permitted by applicable law; (b) delete specific words or phrases; and (c) enforce the provision in its reduced form.

12. First Release and Waiver. In consideration of the payments and benefits set forth in Sections 1(a) and 1(e) of this Agreement, the Employee, for himself, his spouse (if any), their marital community (if any), and their respective heirs, estates, representatives, executors, successors and assigns, hereby fully, forever, irrevocably, and unconditionally releases and discharges the Company, its shareholders, affiliates, subsidiaries, parent companies, employee benefit plans, any co-employers or joint employers, their officers, directors, employees, agents, attorneys, administrators, representatives, successors, heirs, assigns, and all persons acting by, through, under, or in concert with them (collectively, the "Released Parties"), from any and all claims of whatever kind and nature, character, and description, whether in law or equity, whether sounding in tort, contract, federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, which he or they may have against them, or any of them, including any and all claims arising out of and/or in any way related to the Employee's employment with the Company or the circumstances of the termination of that employment, which could have arisen out of any act or omission occurring from the beginning of time to the date Employee signs this Agreement, whether now known or unknown, contingent or vested, whether anticipated or unanticipated, asserted or unasserted, at the time of execution of this Agreement or not, for any type of relief.

(a) Included Statutes. This First Release includes but is not limited to, any and all claims, including claims arising under the Civil Rights Act of 1964, the Employee Retirement Income Security Act, the Americans with Disabilities Act, the Family & Medical Leave Act, the

Occupational Safety and Health Act, the Immigration Reform and Control Act, the Fair Labor Standards Act, the Workers Adjustment and Retraining Notification Act, the Fair Credit Reporting Act, the Uniformed Services Employment and Reemployment Act of 1994, the Equal Pay Act, the Rehabilitation Act, the Employee Polygraph Protection Act, the Sarbanes-Oxley Act (as applicable), the National Labor Relations Act, the Securities and Exchange Act of 1933 and 1934, the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), Michigan's Elliot-Larsen Civil Rights Act, the Michigan Persons With Disabilities Civil Rights Act, the Massachusetts Fair Employment Practices Law, the Massachusetts Public Accommodations Act, Article 114 of the Massachusetts Constitution, and all other relevant local, state and federal statutes, rules, regulations, and applicable provisions of state constitutions.

(b) Included Claims. This Agreement includes, but is not limited to, all claims for past due or future wages, overtime, compensation, minimum wages, damages, back pay, front pay, severance pay, meal and rest break compensation, penalties (including late payment penalties), liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, equitable relief, bonuses, vacation pay, medical insurance, life or disability insurance, and other benefits (except vested retirement benefits) and all claims for violation of any express or implied agreement, written or verbal, that occurred before the execution of this Agreement, or for any violation of any common law duty or statute.

In waiving and releasing any and all claims set forth in this Agreement, whether or not now known to the Employee, the Employee understands that this means that if the Employee later discovers facts different from or in addition to those facts currently known or believed to be true, then the waivers and releases of this Agreement will remain effective in all respects – despite such different or additional facts – and even if Employee would not have agreed to this Agreement if Employee had prior knowledge of such facts. The Employee expressly, knowingly, and intentionally waives the benefits and rights of any statute, rule, doctrine, or common law principle of any jurisdiction whatsoever that provides that a general release does not extend to unknown claims.

The Employee further agrees that, except to enforce the terms of the Agreement and subject to the rights enumerated in Section 12(c), the Employee will not initiate or file, or cause to be initiated or filed, any complaint, suit, charge, or other proceeding asserting any of the released claims against the Company. The consideration offered herein is accepted by the Employee as being in full accord, satisfaction, compromise and settlement of any and all claims or potential claims, and the Employee expressly agrees that the Employee is not entitled to and shall not receive any further recovery of any kind from, and that in the event of any further complaint, suit, charge or other proceeding whatsoever, except those to enforce the terms of the Agreement, based upon any matter released herein, the Company shall have no further monetary or other obligation of any kind to the Employee, including any obligation for any costs, expenses, and attorneys' fees incurred by Employee or on Employee's behalf. **THE EMPLOYEE AGREES TO WAIVE ANY RIGHT TO RECOVER MONETARY DAMAGES (INCLUDING, BUT NOT LIMITED TO BACK PAY, FRONT PAY, LIQUIDATED DAMAGES, PUNITIVE DAMAGES, AND/OR COMPENSATORY DAMAGES) IN ANY SUIT, COMPLAINT, CHARGE, OR OTHER PROCEEDING FILED BY THE EMPLOYEE OR ANYONE ELSE ON THE EMPLOYEE'S BEHALF.**

(c) Excluded Claims & Protected Rights. Notwithstanding the above, by signing this agreement, the Employee does not release and discharge: (i) any claims that are not permitted to be waived or released under applicable law, including but not limited to, the right to file a charge with or participate in an investigation by the EEOC, claims for workers' compensation, and claims for unemployment compensation; (ii) any claim for breach of this Agreement; and (iii) any claims arising after the date on which the Employee signs this Agreement. Nor is this



Agreement intended in any way to limit the Employee's right or ability to: (i) bring a lawsuit against the Company to enforce the Company's obligations under this Agreement; (ii) make any disclosure of information required by law; (iii) report a possible violation of any federal law or regulation to any government agency or entity, or make disclosures that are protected under the whistleblower provisions of any law; or (iv) initiate, provide information to, testify at, participate, or otherwise assist, in any investigation or proceeding brought by any federal regulatory or law enforcement agency or legislative body, such as the EEOC and SEC, any self-regulatory organization, or the Company's legal, compliance, or human resources officers relating to an alleged violation of any federal, state, or municipal law. For avoidance of doubt, nothing in this Agreement restricts or prohibits Employee (with or without notice to the Company) from reporting violations of U.S. federal or state laws or regulations to a relevant government agency, from making disclosures that are protected under U.S. federal and state whistleblower laws and regulations or from accepting any monetary reward in connection therewith.

(d) This release shall not constitute a release by the Employee of any right by the Employee to be indemnified by the Company as provided by statute, the Company's By-Laws, or any Directors and Officers liability insurance policy maintained by the Company for any acts or omissions during the term of the Employee's employment to the same extent the Employee would have had the right to be indemnified absent this release. This release shall not constitute a release by Employee relating to any rights or obligations set forth in the Indemnification Agreement between the Company and Employee dated April 19, 2007 ("2007 Indemnification Agreement") and all such rights and obligations shall remain in full force and effect.

(e) This waiver and release does not affect the Employee's right to continue COBRA continuation coverage after the Company paid period, if any, of COBRA coverage.

13. Second Release and Waiver. The Employee acknowledges that to receive the benefits set forth in Sections 1(b), 1(c), 1(d), 2(b), and 2(c), he must execute and deliver to the Company between the Separation Date and twenty-one (21) days thereafter a Second Release and Waiver in the form of Exhibit A to this Agreement. The Employee acknowledges and agrees that (a) he has consulted with an attorney regarding the Second Release, (b) he is under no obligation to sign the Second Release, and (c) executing the Second Release is within his discretion.

14. Retirement Plans. The parties recognize that the Employee may have certain vested interests in a "401(k)" retirement and/or other pension plan to which the Company has contributed on the Employee's behalf. The waiver and release of claims set forth in Section 12 does not apply to the Employee's vested interests in such plans.

15. Opportunity for Review and Consultation. The Employee acknowledges having read this Agreement and understands all of its provisions. The Employee knowingly and voluntarily agrees to all of the terms and provisions of this Agreement. The Employee acknowledges that the Employee has had twenty-one (21) days to enter into this Agreement. **For the avoidance of doubt, a copy of this Agreement executed by the Employee must be received by the Company no later than 5:00 pm EST on the First Release Date (January 9, 2024), in order to be effective.** If this Agreement was executed prior to the expiration of the twenty-one (21) day deliberation period, the Employee warrants such execution was voluntary and without coercion by the Company. The Company encourages the Employee to consult with an attorney regarding this Agreement. The Employee acknowledges that the Employee either has consulted with an attorney regarding this Agreement or has intentionally chosen not to exercise the right to do so.

The Company and the Employee agree that any changes to this Agreement after it is first presented to the Employee, material or otherwise, do not impact the amount of time the Employee has to consider and execute this Agreement.

16. Effective Date; Revocation Period. The Employee has seven (7) days after signing this Agreement to revoke the Agreement, and the Agreement will not be effective until that revocation period has expired (the "First Effective Date"). Notice of revocation shall be in a signed document delivered to the Executive Vice President, Chief Human Resources Officer before the expiration of the revocation period.

17. Disclosures and Subpoena.

(a) The Employee agrees that the Employee will not, directly or indirectly, and without the Company's prior written consent, voluntarily provide information, documents, or statements to any entity or person, including current or former employees of the Company (except the Employee's counsel, tax preparer, and immediate family) regarding: (i) any other person's employment with, or termination of employment from, the Company; or (ii) any information or documents concerning the Company. In the event that a subpoena or other lawful process is properly served upon the Employee requiring production or disclosure of information or documents concerning the foregoing matters, the Employee shall promptly notify the Company, in accordance with the Notices provisions detailed herein, and shall provide it with copies of any subpoena or other process served upon the Employee. The Employee shall thereafter make such documents available to the Company for inspection and copying at a reasonable time and place designated by the Company prior to their production.

(b) In the event that the subpoena or other process requires testimony or statements from the Employee, the Employee agrees to meet, telephonically or in person, with attorneys or agents designated by the Company, at a reasonable time and place designated by the Company and prior to giving the testimony or the production of documents, for the purpose of discussing the same.

(c) Nothing herein shall give the Company the right to control or dictate the content of any testimony given by the Employee, or any documents produced by the Employee pursuant to subpoena or other lawful process. It is understood that the Employee shall provide all information lawfully required of the Employee, but shall not waive any matters of attorney-client privilege without the Company's express consent. In the event that the Company requires any information or testimony from the Employee in connection with any claim made against the Company, or any claims made by the Company against persons or entities not party to this Agreement, the Employee agrees to cooperate fully with and without cost to the Company, including: (i) appearing at any deposition, trial, hearing or arbitration; (ii) meeting telephonically or in person with attorneys or agents designated by the Company, at a reasonable time and place designated by the Company and prior to the giving of testimony, for the purpose of discussing such testimony; and (iii) providing the Company with any relevant documentation in the Employee's custody, control or possession. The Company will, however, pay for or reimburse the Employee for his reasonable time and any expenses, not including attorneys' fees, the Employee incurs in connection with such cooperation, provided the Company has agreed in advance to such expenses.

18. Future Cooperation. The Employee agrees that, in the future, the Employee will cooperate with the Company and will respond to reasonable requests for information about the Company's business activities during the period when the Employee was employed by the Company and will execute such documents that the Company requests in order to fulfill the Employee's obligations hereunder.

19. Assignment/Binding Effect. This Agreement is personal in nature as to the Employee and the Employee may not assign the Agreement. The terms of this Agreement shall inure to the benefit of the Company and its successors and assigns.

20. Amendment. The Company and the Employee may amend this Agreement only through a writing signed by both of them.

21. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Michigan. The Company and the Employee irrevocably agree and consent to the exclusive jurisdiction of the Circuit Court for Kent County, Michigan for the resolution of claims, disputes and controversies under this Agreement.

22. Voluntary Agreement. The Employee acknowledges and affirms that the Employee is signing this Agreement knowingly, voluntarily, and without any coercion or duress.

23. Adequate Consideration. The Employee acknowledges and affirms that the payments and other benefits provided to the Employee under this Agreement exceed the nature and scope of that to which the Employee would otherwise have been entitled to receive from the Company, and constitute adequate consideration for the promises herein.

24. Entire Agreement. This Agreement including Exhibit A constitutes the entire agreement between the Employee and the Company with respect to the subject matter of this Agreement and supersedes all earlier agreements and understandings, oral and written, between the parties. For the avoidance of doubt, this Agreement shall not constitute a release by Employee relating to any rights or obligations set forth in the 2007 Indemnification Agreement and all such rights and obligations shall remain in full force and effect.

AGREED:

/s/ Jim Zwiers

\_\_\_\_\_  
Jim Zwiers

Date: December 19, 2023

AGREED:

/s/ Amy Klimek

\_\_\_\_\_  
Wolverine World Wide, Inc.

By: Amy Klimek

Executive VP & CHRO

Date: December 19, 2023

**EXHIBIT A**  
**WOLVERINE WORLD WIDE INC.**  
**SEPARATION AND RELEASE AGREEMENT**

**SECOND RELEASE AND WAIVER**

This Second Release and Waiver (the "Second Release") is entered into by and between Wolverine World Wide, Inc., acting on behalf of itself and its affiliates, subsidiaries, and related companies (collectively, the "Company") and Jim Zwiers (the "Employee") as provided for in the Separation Agreement between the Company and the Employee (the "Agreement") with an Effective Date of \_\_\_\_\_. The Company and the Employee agree as follows regarding the conclusion of the Employee's employment with the Company.

1. Conclusion of Employment. Effective as of the Separation Date, the Employee's employment by the Company is terminated. All benefits not expressly addressed in this Second Release or in the Agreement or which the Company is not obligated by applicable law to continue beyond the Separation Date, ceased as of the Separation Date.

2. Employee's Payments. Provided the Employee fulfils all of his obligations under the Agreement and this Second Release, the Company will pay the Employee the amounts and provide the benefits set forth in Sections 1(b), 1(c), 1(d), 2(b), and 2(c) of the Agreement.

3. Incorporation by Reference. Sections 3-11 and 17-18 of the Agreement are specifically incorporated into this Second Release by reference, and remain in full force and effect.

4. Second Release and Waiver. In consideration of the payments and benefits set forth in Sections 1(b), 1(c), 1(d), 2(b) and 2(c) of the Agreement, the Employee, for himself, his spouse (if any), their marital community (if any), and their respective heirs, estates, representatives, executors, successors and assigns, hereby fully, forever, irrevocably, and unconditionally releases and discharges the Company, its shareholders, affiliates, subsidiaries, parent companies, employee benefit plans, any co-employers or joint employers, their officers, directors, employees, agents, attorneys, administrators, representatives, successors, heirs, assigns, and all persons acting by, through, under, or in concert with them (collectively, the "Released Parties"), from any and all claims of whatever kind and nature, character, and description, whether in law or equity, whether sounding in tort, contract, federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, which he or they may have against them, or any of them, including any and all claims arising out of and/or in any way related to the Employee's employment with the Company or the circumstances of the termination of that employment, which could have arisen out of any act or omission occurring from the beginning of time to the date Employee signs this Second Release, whether now known or unknown, contingent or vested, whether anticipated or unanticipated, asserted or unasserted, at the time of execution of this Second Release or not, for any type of relief.

(a) Included Statutes. This Second Release includes but is not limited to, any and all claims, including claims arising under the Civil Rights Act of 1964, the Employee Retirement Income Security Act, the Americans with Disabilities Act, the Family & Medical Leave Act, the Age Discrimination in Employment Act ("ADEA"), the Older Workers Benefit Protection Act, the Occupational Safety and Health Act, the Immigration Reform and Control Act, the Fair Labor Standards Act, the Workers Adjustment and Retraining Notification Act, the Fair Credit Reporting Act, the Uniformed Services Employment and Reemployment Act of 1994, the Equal Pay Act, the Rehabilitation Act, the Employee Polygraph Protection Act, the Sarbanes-Oxley Act (as applicable), the National Labor Relations Act, the Securities and Exchange Act of 1933 and 1934, the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), Michigan's Elliot-Larsen Civil Rights Act, the Michigan Persons With Disabilities Civil Rights Act, the

Massachusetts Fair Employment Practices Law, the Massachusetts Public Accommodations Act, Article 114 of the Massachusetts Constitution, and all other relevant local, state and federal statutes, rules, regulations, and applicable provisions of state constitutions.

(b) Included Claims. This Second Release includes, but is not limited to, all claims for past due or future wages, overtime, compensation, minimum wages, damages, back pay, front pay, severance pay, meal and rest break compensation, penalties (including late payment penalties), liquidated damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, equitable relief, bonuses, vacation pay, medical insurance, life or disability insurance, and other benefits (except vested retirement benefits) and all claims for violation of any express or implied agreement, written or verbal, that occurred before the execution of this Second Release, or for any violation of any common law duty or statute.

In waiving and releasing any and all claims set forth in this Second Release, whether or not now known to the Employee, the Employee understands that this means that if the Employee later discovers facts different from or in addition to those facts currently known or believed to be true, the waivers and releases of this Second Release will remain effective in all respects – despite such different or additional facts – and even if the Employee would not have agreed to this Second Release if the Employee had prior knowledge of such facts. The Employee expressly, knowingly, and intentionally waives the benefits and rights of any statute, rule, doctrine, or common law principle of any jurisdiction whatsoever that provides that a general release does not extend to unknown claims.

The Employee further agrees that, except to enforce the terms of this Second Release and subject to the rights enumerated in Section 4(c), the Employee will not initiate or file, or cause to be initiated or filed, any complaint, suit, charge, or other proceeding asserting any of the released claims against the Company. The consideration offered herein is accepted by the Employee as being in full accord, satisfaction, compromise and settlement of any and all claims or potential claims, and the Employee expressly agrees that the Employee is not entitled to and shall not receive any further recovery of any kind from, and that in the event of any further complaint, suit, charge or other proceeding whatsoever, except those to enforce the terms of this Second Release, based upon any matter released herein, the Company shall have no further monetary or other obligation of any kind to the Employee, including any obligation for any costs, expenses, and attorneys' fees incurred by the Employee or on the Employee's behalf. **THE EMPLOYEE AGREES TO WAIVE ANY RIGHT TO RECOVER MONETARY DAMAGES (INCLUDING, BUT NOT LIMITED TO BACK PAY, FRONT PAY, LIQUIDATED DAMAGES, PUNITIVE DAMAGES, AND/OR COMPENSATORY DAMAGES) IN ANY SUIT, COMPLAINT, CHARGE, OR OTHER PROCEEDING FILED BY THE EMPLOYEE OR ANYONE ELSE ON THE EMPLOYEE'S BEHALF.**

(c) Excluded Claims & Protected Rights. Notwithstanding the above, by signing this Second Release, the Employee does not release and discharge: (i) any claims that are not permitted to be waived or released under applicable law, including but not limited to, the right to file a charge with or participate in an investigation by the EEOC, claims for workers' compensation, and claims for unemployment compensation; (ii) any claim for breach of this Second Release or to challenge its validity under the ADEA; and (iii) any claims arising after the date on which the Employee signs this Second Release. Nor is this Second Release intended in any way to limit the Employee's right or ability to: (i) bring a lawsuit against the Company to enforce the Company's obligations under this Second Release; (ii) make any disclosure of information required by law; (iii) report a possible violation of any federal law or regulation to any government agency or entity, or make disclosures that are protected under the whistleblower provisions of any law; or (iv) initiate, provide information to, testify at, participate, or otherwise

assist, in any investigation or proceeding brought by any federal regulatory or law enforcement agency or legislative body, such as the EEOC and SEC, any self-regulatory organization, or the Company's legal, compliance, or human resources officers relating to an alleged violation of any federal, state, or municipal law. For avoidance of doubt, nothing in this Second Release restricts or prohibits Employee (with or without notice to the Company) from reporting violations of U.S. federal or state laws or regulations to a relevant government agency, from making disclosures that are protected under U.S. federal and state whistleblower laws and regulations or from accepting any monetary reward in connection therewith.

(d) This Second Release shall not constitute a release by the Employee of any right by the Employee to be indemnified by the Company as provided by statute, the Company's By-Laws, or any Directors and Officers liability insurance policy maintained by the Company for any acts or omissions during the term of the Employee's employment to the same extent the Employee would have had the right to be indemnified absent this release. This release shall not constitute a release by Employee relating to any rights or obligations set forth in the Indemnification Agreement between the Company and Employee dated April 19, 2007 ("2007 Indemnification Agreement") and all such rights and obligations shall remain in full force and effect.

(e) This Second Release does not affect the Employee's right to continue COBRA continuation coverage after the Company paid period, if any, of COBRA coverage.

5. Retirement Plans. The parties recognize that the Employee may have certain vested interests in a "401(k)" retirement and/or other pension plan to which the Company has contributed on the Employee's behalf. The waiver and release of claims set forth in Section 4 does not apply to the Employee's vested interests in such plans.

6. Opportunity for Review and Consultation. The Employee acknowledges having read this Second Release and understands all of its provisions. The Employee knowingly and voluntarily agrees to all of the terms and provisions of this Second Release. The Employee acknowledges that the Employee has had twenty-one (21) days to enter into this Second Release. If this Second Release was executed prior to the expiration of the twenty-one (21) day deliberation period, the Employee warrants such execution was voluntary and without coercion by the Company. The Company encourages the Employee to consult with an attorney regarding this Second Release. The Employee acknowledges that the Employee either has consulted with an attorney regarding this Second Release or has intentionally chosen not to exercise the right to do so.

7. Effective Date; Revocation Period. The Employee has seven (7) days after signing this Second Release to revoke the Second Release, and the Second Release will not be effective until that revocation period has expired (the "Second Effective Date"). Notice of revocation shall be in a signed document delivered to the Executive Vice President, Chief Human Resources Officer before the expiration of the revocation period.

8. Assignment/Binding Effect. This Second Release is personal in nature as to the Employee and the Employee may not assign the Second Release. The terms of this Second Release shall inure to the benefit of the Company and its successors and assigns.

9. Amendment. The Company and the Employee may amend this Second Release only through a writing signed by both of them.

10. Governing Law. This Second Release will be governed by and construed in accordance with the laws of the State of Michigan. The Company and the Employee irrevocably agree and consent to the exclusive jurisdiction of the Circuit Court for Kent County, Michigan for the resolution of claims, disputes and controversies under this Second Release.

11. Voluntary Agreement. The Employee acknowledges and affirms that the Employee is signing this Second Release knowingly, voluntarily, and without any coercion or duress.

12. Adequate Consideration. The Employee acknowledges and affirms that the payments and other benefits provided to the Employee under this Second Release exceed the nature and scope of that to which the Employee would otherwise have been entitled to receive from the Company, and constitute adequate consideration for the promises herein.

13. Entire Agreement. The Agreement and this Second Release constitute the entire agreement between the Employee and the Company with respect to the subject matter of the Agreement and this Second Release, and supersede all earlier agreements and understandings, oral and written, between the parties. For the avoidance of doubt, this Agreement shall not constitute a release by Employee relating to any rights or obligations set forth in the 2007 Indemnification Agreement and all such rights and obligations shall remain in full force and effect.

AGREED:

/s/ Jim Zwiers

\_\_\_\_\_  
Jim Zwiers

Date: December 19, 2023

AGREED:

/s/ Amy Klimek

\_\_\_\_\_  
Wolverine World Wide, Inc.

By: Amy Klimek

Executive VP & CHRO

Date: December 19, 2023

The following current and former executive officers have entered into Executive Severance Agreements with the Company in the form filed herewith. The information listed below is inserted into the blanks for the respective executive officer's Executive Severance Agreement.

	<b>Salary Multiplier Rate (Section 4(a)(4))</b>	<b>Termination Period (Section 1(n))</b>	<b>Change of Control Continuation Period (Section 2)</b>
James D. Zwiers	2	2 years	24 months



The following current executive officers have entered into Executive Severance Agreements with the Company in the form filed herewith. The information listed below is inserted into the blanks for the respective executive officer's Executive Severance Agreement.

	<b>Salary Multiplier Rate (Section 4(a)(4))</b>	<b>Termination Period (Section 1(n))</b>	<b>Change of Control Continuation Period (Section 2)</b>
Chris E. Hufnagel	2	2 years	24 months
Amy M. Klimek	2	2 years	24 months
Reginald M. Rasch	2	2 years	24 months
Isabel Soriano	2	2 years	24 months
Michael D. Stornant	2	2 years	24 months

The following current and former executive officers have a percentage benefit multiplier under the Supplemental Executive Retirement Plan (the “Plan” of 2.0%, as indicated below, in lieu of the 1.6% of final average monthly remuneration benefit multiplier described in the Plan:

**2.0%**

Michael D. Stornant

James D. Zwiers

*Execution Version*FIFTH AMENDMENT

THIS AMENDMENT (this “Agreement”), dated as of December 21, 2023, is entered into among WOLVERINE WORLD WIDE, INC., a Delaware corporation (the “Parent Borrower”), the Additional Borrowers party hereto, the Subsidiary Guarantors party hereto, the Lenders (as defined below) party hereto and JPMORGAN CHASE BANK, N.A. as administrative agent (in such capacity, the “Administrative Agent”).

RECITALS

WHEREAS, the Parent Borrower, the Additional Borrowers, the Subsidiary Guarantors party hereto, the lenders from time to time party thereto (the “Lenders”), and JPMorgan Chase Bank, N.A., as Administrative Agent and collateral agent, are party to the Credit Agreement, dated as of July 31, 2012, as amended and restated as of October 10, 2013, as further amended and restated as of July 13, 2015, as further amended as of September 15, 2016, as further amended and restated as of December 6, 2018, as further amended on May 5, 2020, as further amended and restated as of October 21, 2021, as further amended on April 10, 2023 and as further amended on June 30, 2023 (as amended, modified, extended, restated, replaced, or supplemented from time to time prior to the date hereof, the “Credit Agreement”); and

WHEREAS, the Parent Borrower and the Lenders wish to amend the Credit Agreement as set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein but not otherwise defined herein shall have the meanings provided to such terms in the Credit Agreement, as amended by this Agreement.

2. Agreement.

(a) Section 7.5(l) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“(l) the Disposition of other property having a fair market value not to exceed the greater of \$170,000,000 and 7.5% of Consolidated Total Assets of the Parent Borrower and its Subsidiaries at such date (the “Maximum Disposition Value”) in the aggregate for any fiscal year of the Parent Borrower, provided that (i) the consideration for any such Disposition (or series of related Dispositions) in excess of \$40,000,000 consists of at least 75% cash consideration (provided that for purposes of the 75% cash consideration requirement (A) (1) the amount of any Indebtedness of the Parent Borrower or any Restricted Subsidiary (as shown on such person’s most recent balance sheet or in the notes thereto) that is assumed by the transferee of any such assets, (2) the amount of any trade-in value applied to the purchase price of any replacement assets acquired in connection with such Disposition and (3) any Designated Non-Cash Consideration received in respect of such Disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (3), not in excess of \$40,000,000, in each case shall be deemed to be cash and (B) Cash Equivalents and marketable U.S. debt securities (determined in accordance with GAAP) shall be deemed to be cash), (ii) no Event of Default then exists or would result therefrom and (iii) the Net Cash Proceeds thereof are applied in accordance with Section 2.12(b); provided, further, that (x) the Maximum Disposition Value shall be increased by \$75,000,000 in the aggregate for the 2023 fiscal year of the Parent Borrower and (y) the Maximum

Disposition Value shall be increased by \$125,000,000 in the aggregate for the 2024 fiscal year of the Parent Borrower.”

3. Payment of Expenses. To the extent required by Section 10.5 of the Credit Agreement, the Parent Borrower agrees to reimburse the Administrative Agent for all reasonable fees, charges and disbursements of the Administrative Agent in connection with the preparation, execution and delivery of this Agreement, including all reasonable fees, charges and disbursements of counsel to the Administrative Agent.

4. Conditions Precedent. This effectiveness of this Agreement is subject to (the date of such delivery, the “Amendment Effective Date”) the Administrative Agent (or its counsel) shall have received from the Parent Borrower and Lenders constituting Required Lenders, either (x) a counterpart of this Agreement signed on behalf of such party or (y) written evidence reasonably satisfactory to the Administrative Agent (which may include delivery of a signed signature page of this Agreement by facsimile or other means of electronic transmission (e.g., “pdf”)) that such party has signed a counterpart of this Agreement.

5. Representations and Warranties. The Parent Borrower represents and warrants to the Administrative Agent that, as of the date hereof:

(a) this Agreement has been duly authorized, executed and delivered by the Parent Borrower and constitutes the legal, valid and binding obligation of the Parent Borrower enforceable against the Parent Borrower in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other similar laws affecting creditors’ rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) implied covenants of good faith and fair dealing;

(b) the execution, delivery and performance by the Parent Borrower of this Agreement will not (i) violate (A) any provision of law, statute, rule or regulation applicable to the Parent Borrower (B) the certificate or articles of incorporation or other constitutive documents (including any partnership, limited liability company or operating agreements) or by-laws of the Parent Borrower, (C) any applicable order of any court or any rule, regulation or order of any Governmental Authority or (D) any provision of any indenture, certificate of designation for preferred stock, agreement or other instrument to which the Parent Borrower is a party or by which any of them or any of their property is or may be bound, (ii) result in a breach of or constitute (alone or with due notice or lapse of time or both) a default under, give rise to a right of or result in any cancellation or acceleration of any right or obligation (including any payment) under any such indenture, certificate of designation for preferred stock, agreement or other instrument, where any such conflict, violation, breach or default referred to in clause (i) or this clause (ii) would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, or (iii) result in the creation or imposition of any Lien upon or with respect to (x) any property or assets now owned or hereafter acquired by the Parent Borrower, other than the Liens permitted under Section 7.3 of the Credit Agreement, or (y) any equity interests of any Additional Borrower now owned or hereafter acquired by the Parent Borrower, other than Liens created by the Loan Documents; and

(c) each of the representations and warranties made by any Loan Party in or pursuant to the Loan Documents is true and correct in all material respects (except for any representation or warranty which is already qualified as to materiality or by reference to Material Adverse Effect, which is true and correct in all respects) on and as of the date hereof as if made on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date.

6. Reaffirmation; Reference to and Effect on the Loan Documents.

(a) From and after the Amendment Effective Date, each reference in the Credit Agreement to “hereunder,” “hereof,” “this Agreement” or words of like import and each reference in the other Loan Documents to “Credit Agreement,” “thereunder,” “thereof” or words of like import shall, unless the context otherwise requires, mean and be a reference to the Credit Agreement as amended by this Agreement. This Agreement is a Loan Document.

(b) The Loan Documents, and the obligations of the Parent Borrower under the Loan Documents, are hereby ratified and confirmed and shall remain in full force and effect according to their terms.

(c) The Parent Borrower (i) acknowledges and consents to all of the terms and conditions of this Agreement, (ii) affirms all of its obligations under the Loan Documents, (iii) agrees that this Agreement and all documents executed in connection herewith do not operate to reduce or discharge its obligations under the Loan Documents, (iv) agrees that the Security Documents continue to be in full force and effect and are not impaired or adversely affected in any manner whatsoever, (v) confirms its grant of security interests pursuant to the Security Documents to which it is a party as Collateral for the Obligations, and (vi) acknowledges that all Liens granted (or purported to be granted) pursuant to the Security Documents remain and continue in full force and effect in respect of, and to secure, the Obligations.

(d) The execution, delivery and effectiveness of this Agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

(e) In the event of any conflict between the terms of this Agreement and the terms of the Credit Agreement or the other Loan Documents, the terms hereof shall control.

7. Governing Law; Jurisdiction; Consent to Service of Process; Waiver of Jury Trial, Etc.

(a) THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF TO THE EXTENT SUCH PRINCIPLES WOULD CAUSE THE APPLICATION OF THE LAW OF ANOTHER STATE.

**(b) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

8. Amendments; Headings; Severability. This Agreement may not be amended nor may any provision hereof be waived except pursuant to a writing signed by the Parent Borrower and the Administrative Agent. The Section headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting this Agreement. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the

invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

9. Execution in Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, emailed pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that nothing herein shall require the Administrative Agent to accept electronic signatures in any form or format without its prior written consent.

10. Notices. All notices hereunder shall be given in accordance with the provisions of Section 6.7 of the Credit Agreement.

[remainder of page intentionally left blank]



Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

PARENT BORROWER:

WOLVERINE WORLD WIDE, INC.

By: /s/Michael D. Stornant  
Name: Michael D. Stornant  
Title: Executive Vice President and CFO

ADDITIONAL BORROWERS:

WOLVERINE WORLD WIDE CANADA ULC

By: /s/Michael D. Stornant  
Name: Michael D. Stornant  
Title: Chairman and President

WOLVERINE EUROPE B.V.

By: /s/Jennifer J. Miller  
Name: Jennifer J. Miller  
Title: Managing Director B

WOLVERINE EUROPE LIMITED

By: /s/Jennifer J. Miller  
Name: Jennifer J. Miller  
Title: Director



SUBSIDIARY GUARANTORS:

HUSH PUPPIES RETAIL, LLC  
SAUCONY, INC.  
SAUCONY IP HOLDINGS LLC  
SPERRY TOP-SIDER, LLC  
SR/ECOM, LLC  
SR HOLDINGS, LLC  
SRL, LLC  
STRIDE RITE CHILDREN'S GROUP, LLC  
THE STRIDE RITE CORPORATION  
WOLVERINE DISTRIBUTION, INC.  
WOLVERINE OUTDOORS, INC.  
WOLVERINE PRODUCT MANAGEMENT, LLC

By: /s/Michael D. Stornant  
Name: Michael D. Stornant  
Title: President and Treasurer

ADMINISTRATIVE AGENT:

JPMORGAN CHASE BANK, N.A,  
as Administrative Agent

/s/ Zachary Blaner

---

Name: Zachary Blaner  
Title: Vice President

[Signature Page to 2023 WWW Fifth Amendment]

LENDER:

WELLS FARGO BANK, N.A.,  
as Lender

/s/ Megan Pridmore  
\_\_\_\_\_  
Name: Megan Pridmore  
Title: Director

LENDER:

BANK OF AMERICA N.A.,  
as Lender

/s/ Ryan Mulder

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Name: Ryan Mulder  
Title: Senior Vice President

[Signature Page to 2023 WWW Fifth Amendment]

LENDER:

HSBC Bank USA, National Association,  
as Lender

/s/ Jillian Clemons

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Name: Jillian Clemons  
Title: Senior Vice President

[Signature Page to 2023 WWW Fifth Amendment]

LENDER:

HSBC UK Bank plc  
as Lender

/s/ Adam Mahmoud  
\_\_\_\_\_  
Name: Adam Mahmoud  
Title: Relationship Director

RESTRICTED

[Signature Page to 2023 WWW Fifth Amendment]

RESTRICTED

LENDER:

CIBC Bank USA,  
as Lender

/s/ Rusty Gilbert

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Name: Rusty Gilbert  
Title: Managing Director

[Signature Page to 2023 WWW Fifth Amendment]



LENDER:

PNC BANK, NATIONAL ASSOCIATION,  
as Lender

/s/ Casey Trautner

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Name: Casey Trautner

Title: Assistant Vice President

[Signature Page to 2023 WWW Fifth Amendment]

LENDER:

Citizens Bank N.A.,  
as Lender

/s/ Arianna DeMarco

---

Name: Arianna DeMarco  
Title: Vice President

[Signature Page to 2023 WWW Fifth Amendment]

LENDER:

KeyBank National Association,  
as Lender

/s/ Marianne T. Meil

Name: Marianne T. Meil  
Title: Senior Vice President

LENDER:

The Huntington National Bank,  
as Lender

/s/ Mike Kelly

Name: Mike Kelly  
Title: V.P.

[Signature Page to 2023 WWW Fifth Amendment]

LENDER:

TRUIST BANK,  
as Lender

/s/ J. Carlos Navarrete

---

Name: J. Carlos Navarrete  
Title: Director

[Signature Page to 2023 WWW Fifth Amendment)

PURCHASE AGREEMENT

by and among

ABG INTERMEDIATE HOLDINGS 2 LLC  
(“**Buyer**”),

WOLVERINE WORLD WIDE, INC.  
(“**Wolverine**”),

SAUCONY, INC.

(“**Saucony**”) AND

EACH OF THE ACQUIRED COMPANIES IDENTIFIED HEREIN

January 10, 2024

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## PURCHASE AGREEMENT

This PURCHASE AGREEMENT (this “**Agreement**”) is made as of January 10, 2024, by and among ABG Intermediate Holdings 2 LLC, a Delaware limited liability company (“**Buyer**”), Wolverine World Wide, Inc., a Delaware corporation (“**Wolverine**”), Saucony, Inc., a Massachusetts corporation and wholly owned subsidiary of Wolverine (“**Saucony**,” and together with Wolverine, each a “**Seller Party**” and collectively, the “**Seller Parties**”), Sperry Top-Sider, LLC, a Massachusetts limited liability company (“**Sperry Top-Sider**”) and SR Holdings, LLC, a Delaware limited liability company (“**SR Holdings**,” and together with Sperry Top-Sider, each, an “**Acquired Company**” and collectively, the “**Acquired Companies**”). Buyer, the Seller Parties and the Acquired Companies are sometimes individually referred to in this Agreement as a “**Party**” and collectively as the “**Parties**.” Capitalized terms used in this Agreement and not otherwise defined have the meaning set forth in ARTICLE 8.

Wolverine owns and operates that certain footwear, apparel and accessories business under the Sperry Brand (the “**Business**”).

Saucony owns 100% of the issued and outstanding Equity Interests of each Acquired Company.

The Acquired Companies own all right, title and interest in and to the trademarks SPERRY and SPERRY TOP-SIDER and derivatives thereof, and all Trademarks set forth on Schedule 2.9(a) (collectively, the “**Sperry Brand**”).

Buyer desires to purchase and acquire from Saucony, and Saucony desires to sell and transfer to Buyer, all of the outstanding equity of each Acquired Company, for the consideration and on the terms set forth in this Agreement.

Concurrently with the consummation of the transactions contemplated by this Agreement, Wolverine and certain of its Affiliates will sell certain inventory and other assets associated with the Business to Aldo U.S. Inc., a Delaware corporation (“**Aldo**”).

ACCORDINGLY, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, and for good and valuable consideration, the receipt of which the Parties acknowledge, and intending to be legally bound, the Parties agree as follows:

### **ARTICLE 1** **PRINCIPAL TRANSACTION**

Section 1.1 **Sale and Purchase of Equity Interests**. On the terms and subject to the conditions of this Agreement, at Closing, Saucony will sell, grant, convey, assign, deliver and transfer to Buyer, and Buyer will purchase and accept from Saucony, all of the issued and outstanding Equity Interests of each Acquired Company (collectively, the “**Interests**”), free and

clear of any Encumbrances (other than transfer restrictions arising under the Securities Act and other applicable securities Laws).

Section 1.2 **Purchase Price; Payment.**

(a) In consideration of the sale and transfer of the Interests to Buyer, at Closing, Buyer will pay to Wolverine, as payee agent for Saucony, an aggregate amount equal to \$70,000,000 (the “**Purchase Price**”). The applicable portion of the Purchase Price will be allocated among the Interests and the assets of SR Holdings and Sperry Top-Sider in accordance with Section 4.4(e).

(b) At Closing, Buyer will pay to Wolverine, as payee agent for Saucony, an amount equal to the Purchase Price.

Section 1.3 **Closing.** The consummation of the transactions contemplated by this Agreement (“**Closing**”) will take place on the date hereof (the “**Closing Date**”) by conference call and electronic (*i.e.*, email/PDF) or facsimile exchange of signatures, documents and other deliverables required to be executed and/or delivered at Closing. Closing will be deemed effective as of **12:01 a.m.** Eastern time on the Closing Date.

Section 1.4 **Closing Deliverables.**

(a) At Closing, Buyer will make the payments required pursuant to Section 1.2(b) and will deliver, or cause to be delivered, to Wolverine: (i) an Interest Assignment, duly executed by Buyer; and (ii) a certificate signed by an authorized officer of Buyer, dated as of the Closing Date, certifying (A) that attached thereto is a true, correct and complete copy of resolutions of the governing body of Buyer authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby; and (B) the names and signatures of the officers of Buyer authorized to sign this Agreement and the other Transaction Documents.

(b) At Closing, the Seller Parties will deliver, or cause to be delivered, to Buyer: (i) evidence that the Pre-Closing Contribution has been completed; (ii) an Interest Assignment, duly executed by Saucony; (iii) a certificate of good standing and/or existence, as applicable, from each Acquired Company’s jurisdiction of formation and any foreign jurisdiction in which an Acquired Company is authorized to do business as of a date no more than 10 Business Days prior to the Closing Date; (iv) upon Buyer’s request, resignations of the managers and officers of each Acquired Company; (v) evidence of the termination or release of, or the right to terminate or release, all Encumbrances on the Interests (other than transfer restrictions arising under applicable securities Laws) and all Encumbrances on the assets of each Acquired Company (other than Permitted Encumbrances); (vi) a duly executed IRS Form W-9 from Saucony; (vii) a certificate signed by an authorized officer of each Seller Party, dated as of the Closing Date, certifying (A) that attached thereto is a true, correct and complete copy of resolutions of the governing body of each such Seller Party authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby; and (B) the names and signatures of the officers of such Seller Party authorized to sign this Agreement and the other Transaction Documents; (viii) a list setting forth the location(s) of all tangible Acquired Company IP; (ix) evidence, in form and substance reasonably satisfactory to Buyer, that all

Contracts set forth on Exhibit 1.4(b)(ix) have been terminated; (x) a fully executed Domain Name and Social Media Assignment Agreement; (xi) a fully executed Retail Store License Agreement; and (xii) fully executed Powers of Attorney.

Section 1.5 **Withholding**. Buyer will be entitled to deduct and withhold from any amounts payable under this Agreement or another Transaction Document any withholding Taxes or other amounts required pursuant to the Code or other applicable Tax Laws to be deducted and withheld. Prior to withholding or deducting Taxes from the amounts payable under this Agreement, Buyer shall use commercially reasonable efforts to provide Wolverine with prior written notice of Buyer's intention to withhold and its calculation of the amount to be withheld, and shall allow Wolverine a reasonable opportunity to furnish forms, certificates or other documentation that would eliminate or minimize any required deductions or withholdings. To the extent that amounts are deducted or withheld and remitted to the applicable Governmental Body, such amounts will be treated for purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

## **ARTICLE 2** **REPRESENTATIONS AND WARRANTIES REGARDING** **THE SELLER PARTIES AND THE ACQUIRED COMPANIES**

Subject to the exceptions and qualifications set forth on the Disclosure Schedule and Section 9.11, the Seller Parties make the following representations and warranties to Buyer.

### **Section 2.1 Organization, Qualification and Power; Authorization.**

(a) Each Seller Party and Acquired Company is duly organized, validly existing and in good standing (to the extent such concepts are recognized) under the Laws of the jurisdiction of its organization. Each Acquired Company is qualified to conduct its business as it has been and is currently conducted and is in good standing as a foreign entity under the Laws of each jurisdiction where such qualification is required, including where the ownership, leasing or operation of each Acquired Company's assets or properties or the conduct of its business requires such qualification. Section 2.1(a) of the Disclosure Schedule sets forth, for each Acquired Company, (i) each jurisdiction in which such Acquired Company is licensed or qualified to do business and (ii) each "doing business as" or "fictitious name" held by the applicable Acquired Company in each such jurisdiction. Each Seller Party and Acquired Company has the full requisite corporate or limited liability company power and authority necessary to enable it to own, lease or otherwise hold its properties and assets, including, in the case of Saucony, the Equity Interests, and to carry on its business as currently conducted. Buyer has been provided true, correct and complete copies of the Organizational Documents of each Acquired Company as in effect on the date hereof. Neither Acquired Company nor any Seller Party is in violation of its Organizational Documents. Except as set forth on Schedule 2.1(a), since the Acquisition Date, no Acquired Company is the surviving entity of a merger, consolidation or similar event.

(b) Each Seller Party and Acquired Company has the full requisite corporate or limited liability company power and authority, and the legal right, to execute and deliver the Transaction Documents and each other document or instrument required to be executed or delivered by it at Closing, to perform its obligations thereunder and to consummate the transactions contemplated

thereby. The execution and delivery by each Seller Party and Acquired Company of, and the performance and consummation by each Seller Party and Acquired Company of its obligations under, the Transaction Documents to which it is a party has been and is duly and validly authorized by all the requisite corporate or limited liability company action by each Seller Party and Acquired Company. No other corporate or limited liability company actions or proceedings are required to be taken by or on the part of any Seller Party or an Acquired Company to authorize and permit the execution, delivery and performance by such Party of the Transaction Documents to which it is a party. Each Transaction Document to which a Seller Party or Acquired Company is a party has been duly and validly executed and delivered and constitutes, assuming due authorization, execution and delivery by each other party thereto, a valid and legally binding obligation of such Seller Party and Acquired Company, enforceable against it in accordance with its terms and conditions, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to or affecting the rights of creditors generally and subject to the application of general principles of equity (regardless of whether considered in a Proceeding in equity or at law) (collectively, the “**Enforceability Exceptions**”).

Section 2.2 **Capitalization; Title**. The Interests are the only issued and outstanding Equity Interests of the Acquired Companies and there are no other Equity Interests of the Acquired Companies issued, reserved for issuance or outstanding. All of the outstanding Equity Interests of Saucony are owned by Wolverine. Saucony has good and valid title to all of the Interests, and the Interests are owned by Saucony, and indirectly by Wolverine, free and clear of any Encumbrances (other than transfer restrictions under applicable securities Laws). The Interests were (to the extent such concepts are applicable) duly authorized and validly issued, fully paid and non-assessable, are owned of record by Saucony and beneficially by Wolverine, were not issued in violation of any Laws, the Organizational Documents of the applicable Acquired Company or, to the extent applicable, the preemptive rights or other similar right of any Person. There are no Contracts in effect obligating a Seller Party or an Acquired Company to sell, transfer, issue, purchase or redeem any Equity Interests of an Acquired Company or restricting the voting or transfer of the Interests. There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the Interests or obligating an Acquired Company or a Seller Party to issue or sell any Interests or any other Equity Interest in either Acquired Company. No Acquired Company has any outstanding or authorized equity appreciation, phantom equity, profit participation, profit sharing or similar rights.

Section 2.3 **Noncontravention**. Neither the execution and delivery by a Seller Party or an Acquired Company of the Transaction Documents to which it is a party, the sale by Saucony of the Interests pursuant to the Transaction Documents (with or without notice or lapse of time or both), the performance by a Seller Party and an Acquired Company of its obligations under such Transaction Documents nor the consummation by a Seller Party or an Acquired Company of the transactions contemplated by such Transaction Documents: (a) violate any provision of the Organizational Documents of such Seller Party or Acquired Company; (b) violate any Law or Order to which such Seller Party or Acquired Company is subject; (c) except as set forth on Schedule 2.3, conflict with, result in a breach of, constitute (with or without notice or lapse of time or both) a default under, result in the acceleration of, create (with or without notice or lapse of time or both) in any third Person thereto the right to accelerate, terminate, modify or cancel or require any notice or consent under any Contract; or (d) result in the imposition of an Encumbrance (other than a Permitted Encumbrance) on any asset of an Acquired Company or the Interests (other than

transfer restrictions under applicable securities Laws). Except for notices, filings, authorizations, consents or approvals of a Governmental Body obtained prior to Closing or required by Law to be made after Closing, and assuming receipt of any consent, approval or authorization set forth on Schedule 2.3, no Seller Party is required by Law, Contract or otherwise to give any notice to, make any filing with or obtain any authorization, consent or approval of any Governmental Body in order to consummate the transactions contemplated by the Transaction Documents.

Section 2.4 **Subsidiaries; Books and Records.**

(a) Except as set forth on Schedule 2.4(a), neither Acquired Company owns, or, since the Acquisition Date, has owned or has had, or has the right or obligation to acquire any Equity Interests of another Person.

(b) The minute books and ownership records of the Acquired Companies, copies of which have all been provided to the Buyer, are true, correct and complete in all material respects and, during the period of the Seller Parties' ownership of the Acquired Companies have been maintained in accordance with sound business practices.

Section 2.5 **Title to Assets; Sufficiency.**

(a) At Closing, subject to the filing of customary lien releases with respect to Indebtedness listed on Schedule 2.5(a), the Acquired Companies will own their respective assets, and have good, marketable and valid title to, or a valid license to use, their respective assets, free and clear of any Encumbrance (other than a Permitted Encumbrance).

(b) Prior to Closing, the Seller Parties have completed, or have caused to be completed, the transfer and assignment of all Other IP Purchased Assets to an Acquired Company (the "**Pre- Closing Contribution**"), including by delivery to Buyer of the following: (i) a fully executed Unregistered IP Assignment; and (ii) a fully executed contribution and assignment and assumption agreement with respect to the balance of the Other IP Purchased Assets, which shall be in a form reasonably satisfactory to Buyer.

(c) The Other IP Purchased Assets constitute all of the Intellectual Property owned or held for use by a Seller Party or any of its Affiliates (other than the Acquired Companies) and used exclusively in connection with the Business prior to the Pre-Closing Contribution and, upon the consummation of the Pre-Closing Contribution, will be deemed Acquired Company IP.

(d) The Acquired Company IP, Other Intellectual Property, Other IP Purchased Assets and Shared IP collectively represent all of the Intellectual Property (i) owned or held for use by the Acquired Companies and the Seller Parties or its Affiliates in connection with the Business; (ii) necessary and sufficient to manufacture, distribute and sell products consistent with the products branded with or offered under the Sperry Brand manufactured, distributed and sold as of Closing and (iii) necessary and sufficient to conduct the Business in substantially the same manner as currently conducted; *provided, however* that, with respect to clauses (ii) and (iii), no representation or warranty is provided with respect to any Intellectual Property held by manufacturers or suppliers and used in the manufacture of products for the Business. For the avoidance of doubt, as of the Closing Date, the Acquired Companies will not own or maintain any operating assets that are the subject of the Aldo Transaction.

(e) Notwithstanding Section 2.5(d), no Unregistered Intellectual Property is material to the conduct of the Business as currently conducted.

(f) As of the Closing Date, (i) subject to clause (ii) below, no Acquired Company employs any employees or holds or maintains any assets or real property other than the Acquired Company IP; and (ii) no Acquired Company holds or maintains any Contracts other than the Contracts set forth on Exhibit 8.1 (Included Contracts) and on Schedules 2.9(b)(i), (c)(i), (d), (e)(i) and 2.11(a) and not terminated pursuant to Section 1.4(b)(ix).

## Section 2.6 **Tax Matters**

(a) Saucony (to the extent relating to the Acquired Companies or their assets) and each Acquired Company have timely filed all Tax Returns that they were required to file, and have paid all income Taxes shown thereon as owing. All such Tax Returns are true, accurate and correct in all material respects. All Taxes (whether or not such Taxes have been reflected on any Tax Return) payable by or on behalf of an Acquired Company have been paid.

(b) There are no pending or, to the Seller Parties' Knowledge, threatened Proceedings by any Taxing Authority against an Acquired Company or other Seller Party (with respect to the Business or an Acquired Company) and no written notification has been received by a Seller Party threatening any such Proceeding.

(c) During the last three (3) years, no written claim has been made by a Governmental Body in a jurisdiction where an Acquired Company or other Seller Party (with respect to the Business or an Acquired Company) does not file Tax Returns that such Acquired Company or other Seller Party (with respect to the Business or an Acquired Company) is or may be subject to taxation in such jurisdiction.

(d) Each Acquired Company has withheld or caused to be withheld all Taxes required to have been withheld in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, customer or other third Person, and has timely reported and remitted withheld Taxes to the proper Governmental Body in accordance with applicable Tax Laws.

(e) Neither of the Acquired Companies participate or have participated in any "reportable transaction," "listed transaction" or "tax shelters" within the meaning of the Code.

(f) The transactions contemplated by this Agreement do not (and are not reasonably expected to) constitute part of one or more transactions that are the same or substantially similar to the listed transaction described in Internal Revenue Service Notice 2001-16, as amended by Internal Revenue Service Notice 2008-111.

(g) There are no Encumbrances for Taxes (other than Permitted Encumbrances) on any assets of an Acquired Company.

(h) The Acquired Companies are in compliance with applicable transfer pricing laws and regulations, including the execution and maintenance of contemporaneous documentation substantiating the transfer pricing practices and methodology of the Business. The price for

property or services (or for the use of any property) provided by or to the Business are arm's-length prices for purposes of applicable transfer pricing Laws, including Treasury regulations promulgated under Section 482 of the Code.

(i) Since the Acquisition Date, each Acquired Company has been disregarded as separate from Saucony within the meaning of Treasury regulations Section 301.7701-2 and no election under Treasury regulations Section 301.7701-3 has been made to treat either Acquired Company as a corporation for U.S. federal (or applicable state or local) income tax purposes. The Interests constitute all of the outstanding partnership interests (as determined for federal income tax purposes) in the Acquired Companies.

(j) Neither Acquired Company holds any Section 197 intangible within the meaning of Section 197 of the Code that would be subject to the anti-churning rules of Section 197(f)(9) of the Code.

**Section 2.7 Absence of Certain Changes.** Except as set forth on Schedule 2.7, since January 1, 2023 the Seller Parties and the Acquired Companies have operated the Business in the Ordinary Course and there has not been any: (a) sale, assignment, abandonment, cancellation, transfer, license or other disposition of any material assets or rights that would otherwise constitute Acquired Company IP or Other IP Purchased Assets hereunder; (b) imposition of any Encumbrance (other than Permitted Encumbrances) upon any of the Acquired Company IP or Other IP Purchased Assets; (c) Material Adverse Effect; (d) any change in the Organizational Documents of an Acquired Company not reflected in the most recent Organizational Documents provided to Buyer; (e) issuance, pledge, redemption, sale or other transfer or disposition of any Interests or other Equity Interests of an Acquired Company; (f) engagement in a merger, consolidation, reorganization, reclassification, liquidation, dissolution or similar transaction or filing of a petition in bankruptcy under any provision of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against any Acquired Company under any similar Law, in each case, except with respect to the Pre-Closing Contribution; (g) acquisition (including by merger, consolidation, acquisition of Equity Interests or assets, or otherwise) by any Acquired Company of any Person or any division thereof, except with respect to the Pre-Closing Contribution; or (h) any commitment or agreement by any Seller Party or Acquired Company (whether orally or in writing) to do any of the foregoing.

**Section 2.8 Legal Compliance.**

(a) Except as set forth on Schedule 2.8(a), each Acquired Company and Seller Party (with respect to the Business) is, and during the last five (5) years has been, in compliance in all material respects with applicable permits, Laws and Orders, and during the last five (5) years no Acquired Company or Seller Party (with respect to the Business) has received written, or to the Seller Parties' Knowledge any other, notice of any threatened claim or charge with respect to any violation of any permit, Law or Order. No Acquired Company nor Seller Party has made any prior disclosure to any Governmental Body related to violations (potential or actual) of any Law other than in connection with the Proposition 65 matter disclosed on Schedule 2.8(b).

(b) Except as set forth on Schedule 2.8(b), no Seller Party has received any written notice, demand, claim, request for information under Title 27, Chapter 1 of the California Code of

Regulations, the Safe Drinking Water and Toxic Enforcement Act of 1986 or any successor statutes (“**Proposition 65**”), in connection with the Business, indicating that any Seller Party or Acquired Company is in violation of, or is potentially liable under, Proposition 65 with respect to the conduct of the Business. Except as set forth on Schedule 2.8(b), there is no civil, criminal, or administrative claim, notice of violation or proceeding pending, nor any judgment issued with respect to the Business, nor to Seller Parties’ Knowledge, threatened, in each case relating in any way to any Seller Party’s or Acquired Company’s violation of Proposition 65, which has not been resolved in all respects.

(d) No Acquired Company has any actual liability that is outstanding as of the date hereof with respect to (i) any “defined benefit plan” (as defined in Section 3(35) of ERISA) sponsored or maintained by a Seller Party that is subject to Section 302 or Title IV of ERISA or Section 412 or 430 of the Code or (ii) any “multiemployer plan” (as defined in Section 3(37) of ERISA).

## Section 2.9 **Intellectual Property.**

(a) Schedule 2.9(a) contains a true and complete list of all Registered Intellectual Property, in each case, specifying the owner of record, date of application or issuance, application or registration number and relevant jurisdiction.

(b) (i) Schedule 2.9(b)(i) contains a true and complete list of all written licenses, written sublicenses and other written Contracts under which an Acquired Company is granted rights by others in Other Intellectual Property (specifying the Acquired Company party thereto and including only such Contracts that are in effect as of the Closing Date or that provide for a sell-off period extending past the Closing Date); and (ii) Schedule 2.9(b)(ii) contains a true and complete list of all written licenses, written sublicenses and other written Contracts under which a Seller Party or its Affiliates (other than the Acquired Companies) is granted rights by others in Other Intellectual Property (specifying the Seller Party or its Affiliate party thereto and including only such Contracts that are in effect as of the Closing Date or that provide for a sell-off period extending past the Closing Date), in each case of (i) and (ii), other than Shrink-Wrap and Enterprise Licenses (collectively, the “**Company Inbound Licenses**”).

(c) (i) Schedule 2.9(c)(i) contains a true and complete list of all written licenses, written sublicenses and other written Contracts under which an Acquired Company has granted any rights to others in or to any Company Owned Intellectual Property Rights (specifying the Acquired Company party thereto and including only such Contracts that are in effect as of the Closing Date or that provide for a sell-off period extending past the Closing Date), and (ii) Schedule 2.9(c)(ii) contains a true and complete list of all written licenses, written sublicenses and other written Contracts under which a Seller Party or its Affiliates (other than the Acquired Companies) has granted any rights to others in or to any Company Owned Intellectual Property Rights (specifying the Seller Party or its Affiliate party thereto and including only such Contracts that are in effect as of the Closing Date or that provide for a sell-off period extending past the Closing Date), in each case including all distribution agreements but excluding non-exclusive licenses for de minimis uses granted in the Ordinary Course (collectively, the “**Company Outbound Licenses**”, and together with the Company Inbound Licenses, the “**Company IP Licenses**”).



(d) Schedule 2.9(d) contains a true and complete list of (i) all consent and coexistence agreements, (ii) all indemnifications, forbearances to sue, and all similar undertakings and (iii) all settlement agreements, in each case of clauses (i)-(iii), resolving actual or potential Intellectual Property disputes related to the Business as currently conducted.

(e) (i) Schedule 2.9(e)(i) contains a true and complete list of all Marketing and Design Agreements held by an Acquired Company (specifying the Acquired Company party thereto); (ii) Schedule 2.9(e)(ii) contains a true and complete list of all Marketing and Design Agreements held by any Seller Party or its Affiliates (other than the Acquired Companies) exclusively related to the Business as currently conducted (specifying the Seller Party or its Affiliate party thereto); and (iii) Schedule 2.9(e)(iii) contains a true and completed list of all Marketing and Design Agreements held by any Seller Party or its Affiliates (other than the Acquired Companies) related to the Business as currently conducted (specifying the Seller Party or its Affiliate party thereto).

(f) The Acquired Companies exclusively own all legal and beneficial right, title and interest in and to all Company Owned Intellectual Property Rights. The Company Intellectual Property Rights can be transferred to Buyer free and clear of all Encumbrances (other than Permitted Encumbrances). Except for the Keds Blue Label License Agreement, which was an "Assigned Contract" under the Keds Purchase Agreement, none of the Company Owned Intellectual Property Rights are subject to the terms of the Keds Purchase Agreement. Except as set forth on Schedule 2.9(f), the Acquired Companies have the right to use the Company Intellectual Property Rights without the payment of any royalties or other amounts to any other Person. Each Company IP License is in full force and effect in accordance with its terms, and the Seller Party or its Affiliate that is party thereto has performed all obligations due (including the obligation to pay any royalties or licensing fees to any Person) and required to be performed by it under such Company IP License, and the Seller Party or its Affiliate, that is party thereto is not (with or without the lapse of time or the giving of notice, or both) in material breach or default thereunder and, to the Seller Parties' Knowledge, no other party to any such Company IP License is (with or without the lapse of time or the giving of notice, or both) in material breach or default thereunder. A Seller Party or its Affiliate has a binding, valid and subsisting Contract providing a license or other contractual right to use the Other Intellectual Property. No third parties hold rights to directly receive any portion of royalty revenues derived by an Acquired Company, nor any other rights to participate in the profits or revenues derived from, any Company Owned Intellectual Property Rights.

(g) Except as set forth on Schedule 2.9(g): (i) all Company Owned Intellectual Property Rights, to the extent issued or registered, as applicable, are subsisting, valid, enforceable and in full force and effect, are held of record in the name of an Acquired Company or are included among the Other IP Purchased Assets, are not the subject of any Proceeding challenging ownership, scope, enforceability, effect or validity (including any oppositions, cancellations, interferences or re-examinations) and are currently in compliance with all formal legal requirements which have come due as of the date hereof and such obligations which come due within 90 days after the Closing Date (including, as applicable, the payment of all filing, examination and maintenance fees, inventor declarations, proofs of working or use, timely post- registration filing of affidavits of use and incontestability and renewal applications); (ii) the conduct of the Business as currently conducted, and as historically conducted within the last five years does not and did not during such five-year period infringe on, misappropriate, violate, dilute

or conflict with any Intellectual Property Rights owned by another Person; (iii) within the last five years, no Seller Party or any Affiliate (with respect to the Business) has received any written or, to the Seller Parties' Knowledge other, notice with respect to any alleged infringement, misappropriation, violation or unlawful or improper use of any Intellectual Property Rights owned or alleged to be owned by another Person, or any assertion of unfair competition or violation of trade practices under the Laws of any jurisdiction by such Person; (iv) no Seller Party or any Affiliate (with respect to the Business) has within the last five years made any written claim or sent any written notice that a Person is infringing, misappropriating or violating any Company Owned Intellectual Property Rights; (v) to the Seller Parties' Knowledge, no Person is infringing, misappropriating, diluting, conflicting with or violating any Company Intellectual Property Rights; (vi) no claim for damages or Order is pending or, to the Seller Parties' Knowledge, threatened that would limit the use, validity, enforceability or enjoyment of any right in and to the Company Intellectual Property Rights (other than actions arising in the Ordinary Course in the context of (A) prosecution of applications for Company Owned Intellectual Property Rights that are not oppositions or interferences to pending Company Registered Marks or pending Company Patents, respectively; or (B) registered Company Owned Intellectual Property Rights that are not cancellations, revocations, or reviews associated with registrations); and (vii) the Shared IP does not include any Registered Intellectual Property. The Seller Parties further represent and warrant that there are no oppositions, interferences, cancellations, revocations, reviews or any other contested proceedings involving any Company Owned Intellectual Property Rights within the last five years that are not set forth on Schedule 2.9(g).

(h) Neither the execution, delivery or performance by a Seller Party or an Acquired Company of this Agreement or any other Transaction Document to which it is a party, nor the consummation of the transactions contemplated hereby or thereby, will result in, or give any other Person the right or option to cause or declare: (i) the loss, cancellation, reversion or impairment of any right to own or use, or the validity or enforceability of, any Company Intellectual Property Rights anywhere in the world or, except as set forth on Schedule 2.9(h), any Other Intellectual Property; (ii) a breach of or default under any Company IP License or, to the extent set forth on Schedules 2.9(b)(ii), (c)(ii), (d) (to the extent not in the name of an Acquired Company) and (e)(ii), any Included Contract; (iii) the grant, assignment or transfer to any other Person of any license or other right or interest under, to or in any Company Intellectual Property Rights; or (iv) Buyer or any Acquired Company being (A) bound by, or subject to, any non-compete obligation, covenant not to sue, or other restriction on the operation or scope of its business, which such party was not bound by or subject to prior to the Closing, or (B) obligated to (1) pay any royalties, honoraria, fees or other payments to any Person in excess of those payable by such party prior to the Closing, or (2) provide or offer any discounts or other reduced payment obligations to any Person in excess of those provided to such Person prior to the Closing, in the case of each of clauses (i) and (ii) pursuant to any Contract to which any Seller Party or any of its Affiliates is a party.

(i) No present or former employee, officer or manager of a Seller Party (or any Affiliate thereof), nor any present or former agent, consultant, outside contractor or subcontractor of a Seller Party (or any Affiliate thereof) holds any right, title or interest, directly or indirectly, in whole or in part, in or to any Company Owned Intellectual Property Rights. Except as set forth on Schedule 2.9(i), without limiting the generality of the foregoing, each such Person is subject to a valid, binding, written Contract or other legally sufficient obligation, whereby such Persons (i) assign to the applicable Seller Party or its Affiliate any ownership interest and right they may have

to any Intellectual Property and Intellectual Property Rights authored, created or conceived in the course of performance for the Business; and (ii) agree to confidentiality obligations protecting the Trade Secrets related to the Business and other non-public elements of Company Intellectual Property Rights. The Seller Parties have provided Buyer with true and complete copies of all such Contracts relating to pending patent applications and granted patents. To the Seller Parties' Knowledge, no officer or employee of any Seller Party or its Affiliates with respect to the Business is subject to any Contract with any other Person which requires such officer or employee to assign to another Person any interest in inventions or other Intellectual Property Rights or keep confidential any Trade Secrets related to the Business, proprietary data, customer lists or other business or technical information, in each case, solely with respect to the Business.

(j) The Seller Parties have taken reasonably necessary steps on behalf of themselves and their Affiliates to protect their respective right, title and interest in and to, and the confidentiality of, the Company Owned Intellectual Property and all other proprietary information to the extent held or purported to be held by a Seller Party or its Affiliates and related to the Business as a Trade Secret. Except as set forth on Schedule 2.9(j), the Seller Parties have taken commercially reasonable steps to ensure that no Trade Secrets or any other confidential information of the Seller Parties and its Affiliates included within the Company Owned Intellectual Property Rights has been authorized to be disclosed or has been disclosed to any employee or third Person other than pursuant to a written Contract or other legally sufficient obligation restricting the disclosure and use of such Trade Secrets or other confidential information by such employee or third Person, and, to the Seller Parties' Knowledge, there has been no unauthorized use or disclosure of any such Trade Secrets or other confidential information by such employee or third Person. The Seller Parties have taken reasonable security measures on behalf of themselves and their Affiliates to protect the confidentiality of all Trade Secrets and any other confidential information included within the Company Intellectual Property Rights for so long as the Seller Parties intended to maintain the confidentiality of such Trade Secrets.

(k) The Seller Parties' transmission, use, modification (including, but not limited to, framing, if applicable), linking and other practices in respect of content proprietary to any other Person does not infringe, misappropriate or violate any personal, proprietary or other right of any such Person, and no claim in respect of any such infringement, misappropriation or violation is threatened or pending. The Company Website does not contain any computer code or any other scripts, procedures, routines or mechanisms which may: (i) infringe, misappropriate or violate any personal, proprietary or other right of any Person; (ii) disrupt, disable, harm or impair in any material way the operation of the Company Website; or (iii) permit any third-party to access the Company Website to cause disruption, disablement, harm, impairment, damage or corruption (sometimes referred to as "traps," "access codes" or "trap door" devices).

#### Section 2.10 **Privacy and Data Security.**

(a) The Seller Parties and their Affiliates (with respect to the Business) are, and have been during the past three (3) years, in compliance in all material respects with (i) applicable Law relating to the rights of any Person with respect to Personal Information, including the Processing of Personal Information and all applicable industry standards related to the same (collectively, "**Privacy Law**"), (ii) any consents and privacy choices, including opt-in or opt-out preferences (such as with respect to direct marketing activities and the initiation, transmission, monitoring,

interception, recording or receipt of communications) and rights requests, of natural Persons relating to Personal Information, and any obligations contained in any applicable external data privacy and security policies to which a Seller Party (with respect to the Business) or Acquired Company is bound with respect to the Processing of Personal Information (together, “**Company Privacy Commitments**”), and (iii) any contractual commitment made by any Seller Party or its Affiliates (with respect to the Business) that is applicable to such Personal Information (each, a “**Company Data Agreement**”) ((i)-(iii), collectively, “**Data Protection Obligations**”). The Seller Parties and their Affiliates (with respect to the Business) have provided appropriate notice and obtained consents necessary for the Processing of Personal Information to the extent required under Data Protection Obligations. Neither the execution, delivery, and performance of any Transaction Document or the consummation of the transactions contemplated thereby will cause, constitute, or result in a breach or violation of any Data Protection Obligation. Copies of all current public facing privacy policies used by the Business relating to the Processing of Personal Information by the Business have been made available to Buyers and such copies are accurate and complete.

(b) Except as set forth on Schedule 2.10(b), in the last three (3) years, no claims have been asserted or threatened in writing with respect to the Processing of Personal Information in connection with the Business or otherwise by any Acquired Company.

(c) In the last three (3) years, no breach or security incident of a nature that would require notice to any Person or Governmental Body under Data Protection Obligations in relation to any information or data Processed by or on behalf of any Seller Party or any of its Affiliates (in connection with the Business) has occurred or, to the Seller Parties’ Knowledge, is threatened.

(d) In the last three (3) years, neither any Seller Party nor any of its Affiliates (in connection with the Business) has received in writing any claim, notice or allegation from a Governmental Body or any other Person alleging or confirming non-compliance with a relevant requirement of any Data Protection Obligation.

#### Section 2.11 **Material Contracts.**

(a) Schedule 2.11(a) sets forth a true, accurate and complete list of all Contracts (other than (i) Included Contracts and (ii) the Contracts set forth on Schedules 2.9(b)(i), 2.9(c)(i), 2.9(d) and 2.9(e)(i)) to which an Acquired Company is a party (collectively, with the Included Contracts and all Contracts set forth on Schedules 2.9(b)(i), (b)(ii), (c)(i), (c)(ii), (d), (e)(i), (e)(ii) and (e)(iii), the “**Material Contracts**”).

(b) Each Material Contract is valid, binding and enforceable and in full force and effect against the applicable Acquired Company, subject to the Enforceability Exceptions. No Acquired Company or, to the Seller Parties’ Knowledge, no counterparty to any Material Contract, is involved in a dispute under any Material Contract or is in breach or default in any material respect under any Material Contract and, to the Seller Parties’ Knowledge, no event or circumstance has occurred which with notice, lapse of time or both would constitute such a material breach or default or otherwise cause or permit acceleration or other changes of any right or obligation, including cancellation or termination, of any Material Contract or the loss of any material right or benefit thereunder. In the past three years, neither Acquired Company nor, to the Seller Parties’

Knowledge, any other party to a Material Contract, has provided or received any written, or to the Seller Parties' Knowledge other, notice of its intention to terminate or have performance excused or delayed under any Material Contract. Copies of the written Material Contracts and a written summary of any oral Material Contracts have been provided to Buyer.

Section 2.12 **Litigation**. Except as set forth on Schedule 2.12, there are no Proceedings or Orders pending, threatened in writing or, to the Seller Parties' Knowledge, threatened in any way other than writing against or involving an Acquired Company (including any Proceeding questioning the validity of any Transaction Document or seeking to enjoin or obtain monetary damages in respect of any Transaction Document or delay the consummation of the transactions contemplated thereby) or any of the property or assets of an Acquired Company or, to the Seller Parties' Knowledge, against or involving any manager or officer of an Acquired Company (in their respective capacities as such).

Section 2.13 **Illegal Payments; FCPA**. Each Acquired Company and each Seller Party (solely to the extent such Seller Party was party to an Included Contract immediately prior to the assignment of such Included Contract to an Acquired Company in preparation for the transactions contemplated by this Agreement) is, and since January 1, 2019 has been, in compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA"), and all other Laws relating to anti-bribery, anti-money laundering or anti-corruption and no Acquired Company or any manager or officer of an Acquired Company or, to the Seller Parties' Knowledge, any other Person acting on behalf an Acquired Company has, for the purpose of securing an improper advantage in obtaining or retaining business for or with, or directing business to, any Person, (a) made, offered or authorized, or agreed to make, offer or authorize, any unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity; (b) made, offered or authorized, or agreed to make, offer or authorize, any unlawful payment to any foreign or domestic government official or employee, foreign or domestic political party or campaign, candidate for political office, official of any public international organization or official of any state-owned enterprise; or (c) made, offered or authorized, or agreed to make, offer or authorize, any bribe, payoff, influence payment, kickback or other similar unlawful inducement.

Section 2.14 **Broker's Fees**. No Seller Party, Acquired Company or anyone acting on their behalf has incurred or will incur any Liability to pay fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement or the other Transaction Documents for which Buyer or any of its Affiliates (including, an Acquired Company) will be liable. Any fees and expenses due Centerview Partners LLC (the "**Seller Financial Advisor**") and/or its Affiliates related to the transactions contemplated by this Agreement that are not paid in advance of Closing will be included in Seller Transaction Expenses.

Section 2.15 **Affiliate Transactions**. Except as set forth on Schedule 2.15, no Affiliate of any Acquired Company owes any money to, or is owed any money by, any Acquired Company. Schedule 2.15 sets forth a true and complete list of any Contracts between or among any Acquired Company, on the one hand, and Seller Party or any of its Affiliates or any of its or their directors, managers, officers or employees, on the other hand, which is currently in effect.

Section 2.16 **Product Liability**. With respect to any products sold under the Sperry Brand during the past three (3) years:

(a) no Seller Party or Acquired Company has issued a product recall, concerning any such product(s) manufactured, shipped, sold or delivered by such Acquired Company or any of its Affiliates, which has occurred or is pending, except as set forth on Schedule 2.16(a);

(b) such products have been in all material respects in compliance with all Laws applicable to the conduct of the Business, including the United States Consumer Product Safety Act, the Flammable Fabrics Act, the Hazardous Substances Act, all regulations and policies of the United States Consumer Product Safety Commission and the United States Food and Drug Administration and other Governmental Bodies (all such Laws and standards being referred to collectively as “**Safety Requirements**”); and

(c) to the extent required by any Laws, the such inventory has been tested for safety pursuant to, and in accordance with, in all Safety Requirements (including Proposition 65).

Section 2.17 **No Indebtedness; No Liabilities**. No Acquired Company has any Indebtedness or any other Liabilities (other than executory obligations under Included Contracts). No Indebtedness or Liability of any Acquired Company will arise in connection with the consummation of any of the transactions contemplated by any of the Transaction Documents.

Section 2.18 **Reliance**. The Seller Parties acknowledge that, except as set forth in ARTICLE 3, Buyer is not making and will not be deemed to have made, and no Seller Party is relying on, any representation or warranty of Buyer or any other Person, express or implied, in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby.

Section 2.19 **No Other Representations or Warranties**. Other than the representations and warranties expressly made by the Seller Parties in this ARTICLE 2 (such representations and warranties collectively, the “**Express Representations**”), no Seller Related Persons or any Person acting on their respective behalf has made, and will not be deemed to have made, any representation or warranty, express or implied, in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby, and any such other representations or warranties are expressly disclaimed.

### **ARTICLE 3** **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer makes the following representations and warranties to the Seller Parties:

Section 3.1 **Organization**. Buyer is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization. Buyer has full requisite entity power and authority to carry on its businesses.

Section 3.2 **Authorization**. Buyer has the full requisite entity power and authority to execute and deliver the Transaction Documents to which it is a party and to perform its obligations thereunder. The execution and delivery by Buyer of, and the performance by Buyer of its obligations under, the Transaction Documents to which it is a party has been, assuming due authorization, execution and delivery by each other party thereto, duly and validly authorized by all requisite action. Each of the Transaction Documents to which Buyer is a party has been duly

and validly executed and delivered by Buyer and constitutes the valid and legally binding obligation of Buyer enforceable against Buyer in accordance with its terms and conditions, subject to the Enforceability Exceptions.

Section 3.3 **Noncontravention**. Neither the execution or delivery by Buyer of this Agreement or the other Transaction Documents to which it is a party, the performance by Buyer of its obligations hereunder or thereunder, nor the consummation by Buyer of the transactions contemplated hereby and thereby will: (a) violate any Law or Order to which Buyer is subject or any provision of its Organizational Documents; or (b) conflict with, result in a breach of, constitute a default under (with or without notice or lapse of time or both) any Contract to which Buyer is a party or by which Buyer is bound. Except for any notices, filings, authorizations, consents or approvals of any Governmental Body obtained by Buyer or an Affiliate prior to Closing or required by Law to be made after Closing, Buyer is not required by Law, Contract or otherwise to give any notice to, make any filing with or obtain any authorization, consent or approval of any Governmental Body in order to consummate the transactions contemplated by the Transaction Documents.

Section 3.4 **Proceedings**. There is no Proceeding pending or, to the knowledge of Buyer, threatened against Buyer: (a) that questions the validity of any Transaction Document to which it is a party or any action taken or to be taken by Buyer in connection with, or which seek to enjoin or obtain monetary damages in respect of, any Transaction Document to which it is a party; or (b) that, individually and in the aggregate, could reasonably be expected to prevent or delay in any material respect the ability of Buyer to perform its obligations under and consummate the transactions contemplated by any Transaction Document to which it is a party.

Section 3.5 **Investment Intent**. Buyer is acquiring the Interests for investment and not with a view to any resale or distribution thereof in violation of the Securities Act or any other applicable securities Laws. Buyer is an “accredited investor” as defined in Regulation D promulgated under the Securities Act. Buyer is knowledgeable about the industries in which the Business operates and is informed as to the risks of the transactions contemplated hereby and of ownership of the Interests for an indefinite period of time. Buyer acknowledges that the Interests have not been registered under the Securities Act or any state or foreign securities Laws and that the Interests may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of unless such transfer, sale, assignment, pledge, hypothecation or other disposition is registered under applicable state or foreign securities Laws or sold pursuant to an exemption from registration under the Securities Act and any other applicable securities Laws.

Section 3.6 **Financing**. Buyer’s obligation to consummate the transactions contemplated by this Agreement and the other Transaction Documents is not subject to any conditions regarding Buyer’s ability to obtain financing. Buyer has available sufficient cash, lines of credit or other sources of immediately available funds to enable Buyer to satisfy all of the Closing Date obligations of Buyer under this Agreement (including paying the Purchase Price and all costs and expenses required to be paid by Buyer) and to consummate the transactions contemplated by this Agreement.

Section 3.7 **Solvency**. Buyer is solvent and, assuming the accuracy in all material respects of the representations and warranties set forth in ARTICLE 2 as of Closing, immediately

following Closing, after giving effect to the transactions contemplated by this Agreement and the other Transaction Documents, Buyer and each Acquired Company will be solvent. No transfer of property is being made and no obligation is being incurred by or at the direction of Buyer or any of its Affiliates in connection with the transactions contemplated by the Transaction Documents with the intent to hinder, delay or defraud either present or future creditors of Buyer or any of its Affiliates (including an Acquired Company after the Closing).

Section 3.8 **Inspection**. Buyer is an informed and sophisticated Person and has engaged expert advisors experienced in the evaluation and acquisition of companies as contemplated hereunder. Buyer has undertaken such investigation as it deems necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement and the other Transaction Documents. Buyer and its Representatives have been afforded the opportunity to obtain additional information to verify the accuracy of the representations and warranties made by the Seller Parties in this Agreement and to otherwise evaluate the merits of the transactions contemplated by this Agreement and the other Transaction Documents. Buyer acknowledges that there are uncertainties inherent in any financial projection or forecast and that Buyer is familiar with such uncertainties and it takes full responsibility for making its own evaluation of the adequacy and accuracy of any projections and forecasts furnished to it or its Affiliates or Representatives.

Section 3.9 **Broker's Fees**. Neither Buyer nor anyone acting on its behalf has incurred or will incur any Liability to pay fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement or other Transaction Documents for which a Seller Party or any of its Affiliates will be liable.

Section 3.10 **No Other Representations or Warranties**. Buyer has not made, nor will be deemed to have made, any representation or warranty in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby other than as expressly made by it in this **ARTICLE 3** and any other representations or warranties are expressly disclaimed.

#### **ARTICLE 4** **COVENANTS AND AGREEMENTS**

##### **Section 4.1 Further Assurances.**

(a) After Closing, the Parties will take all further actions, execute and deliver all further documents and do all further acts and things as another Party may reasonably request to carry out and document the intent of this Agreement and the other Transaction Documents, including identifying the location of any tangible Acquired Company IP upon Buyer's request therefor and providing all reasonable cooperation with respect to the format of delivery, timing and logistics required to effectuate transfer of all such tangible Acquired Company IP and all Other IP Purchased Assets assigned in connection with the Pre-Closing Contribution.

(b) Without limiting the generality of the foregoing, following Closing, the Seller Parties will, upon reasonable written request, and at their own cost and expense, (i) assist Buyer



(which will bear its own costs and expenses) in all reasonable efforts to complete the recordation of changes to ownership of any Company Owned Intellectual Property Rights and the underlying Intellectual Property Rights that are not complete as of the Closing Date, including executing, acknowledging and delivering to Buyer such further assurances, deeds, assignments, powers of attorney, bills of sale, consents and any and all other instruments and documents as may be necessary to effectuate, confirm or record the assignment of any Company Owned Intellectual Property Rights and the underlying Intellectual Property Rights granted herein to Buyer with any applicable government entity, and (ii) assist Buyer in procuring and evidencing the release of any Encumbrance on the Interests or any of the assets of an Acquired Company (other than Permitted Encumbrances) which, notwithstanding the intention of the Parties to obtain the release of such Encumbrances at Closing, have not been released or which require further evidence of release. With respect to clause (i) above, in the event that Buyer is unable to obtain the Seller Parties' assistance or cooperation in the recordation of changes to ownership of any Company Owned Intellectual Property Rights and the underlying Intellectual Property Rights within one Business Day of Buyer's written request for such assistance (e-mail being sufficient), the applicable Acquired Company may exercise its authority under the applicable Power of Attorney to complete such actions.

(c) Without limiting the generality of the foregoing, promptly following Closing, the Seller Parties will provide all advertising and marketing materials and collateral listed in clause (g) of the definition of Intellectual Property organized in the manner in which the Seller Parties currently maintain and utilize the same with respect to their conduct of the Business prior to Closing.

For the avoidance of doubt, nothing in this Section 4.1 shall limit Buyer's right to seek indemnification with respect to any underlying Proceeding.

**Section 4.2 Wrong Pockets.** If, after the Closing Date, either Wolverine or Buyer in good faith identifies any asset or Contract owned or held by Wolverine or an Affiliate (which will not include any Contract transferred to Aldo as part of the Aldo Transaction) that should have been, but inadvertently was not, transferred prior to Closing to an Acquired Company as part of the Pre-Closing Contribution, then Wolverine or Buyer, as applicable, will notify the other as soon as reasonably practicable upon becoming aware of such asset or Contract and, unless it reasonably disagrees in good faith, Wolverine will or will cause its applicable Affiliate (which will not include either Acquired Company) to transfer such asset or Contract to Buyer or its designee (including either Acquired Company) as soon as reasonably practicable (and with respect to any Contract in accordance with the terms and conditions applicable to Included Contracts herein applied *mutatis mutandis* as of the date of the relevant transfer) for no additional consideration (and at Wolverine's sole cost) and until it is transferred to Buyer or its designee, Wolverine shall hold such asset in trust for Buyer. If, after the Closing Date, either Wolverine or Buyer in good faith identifies any asset or Contract of an Acquired Company that should not have been, but inadvertently was, held by an Acquired Company or transferred to an Acquired Company as part of the Pre-Closing Contribution or is otherwise owned or held by an Acquired Company at Closing, then Wolverine or Buyer, as applicable, will notify the other as soon as reasonably practicable upon becoming aware of such asset or Contract, and unless it reasonably disagrees in good faith, Buyer will or will cause its applicable Affiliate to transfer such asset or Contract to Wolverine or its designee as soon as reasonably practicable for no additional consideration (and at Wolverine's sole cost) and until

it is transferred to Wolverine or its applicable Affiliate, Buyer shall hold such asset in trust for Wolverine or such Affiliate and any Liabilities arising on account of such asset shall be for the account of Wolverine.

Section 4.3 **Books and Records.** Wolverine will transfer to Buyer the books and records of the Acquired Companies or that are included among the Other IP Purchased Assets as soon as reasonably practicable following the Closing Date. Prior to such transfer, Wolverine shall have, at Wolverine's expense, made any copies of the pre-Closing books and records reasonably required in anticipation of, preparation for, or the prosecution or defense of existing or future claims or actions, Tax Returns or other matters in which the Buyer, on the one hand, and the Seller Parties, on the other hand, do not have any adverse interest or which are not otherwise protected by attorney-client privilege. Buyer shall have no obligation to retain any such pre-Closing books and records on behalf of Wolverine or its Representatives.

Section 4.4 **Certain Tax Matters.**

(a) **Tax Returns.**

(i) Wolverine will prepare or cause to be prepared: (1) Form 1120 (and analogous forms for state and local income Tax purpose) including the Acquired Companies for any Pre-Closing Tax Period ("**Acquired Companies Tax Returns**"); and (2) all Tax Returns and tax reports required to be filed by the Acquired Companies on a non-consolidated or standalone basis for any Pre-Closing Tax Period.

(ii) Buyer will prepare or cause to be prepared and file or cause to be filed all other Tax Returns of the Acquired Companies filed after the Closing Date.

(iii) Any and all Tax deductions that would properly be reported (under not less than a "more likely than not" standard) on the Acquired Companies Tax Returns in respect of a Pre-Closing Tax Period, and in respect of, or that are attributable to, any of the following will be treated as occurring on or prior to the Closing Date and be reported in the taxable period (or portion thereof) ending on the Closing Date: (A) any and all Seller Transaction Expenses (including amounts that would be Seller Transaction Expenses except for the fact that such expenses were paid prior to Closing); (B) any and all deductions for unamortized financing costs of the Acquired Companies paid by the Seller Parties; and (C) any and all other amounts paid by the Seller Parties with respect to the transactions contemplated by the Transaction Documents.

(iv) After Closing, Buyer will not (and will not allow the Acquired Companies to), without the prior written consent of Wolverine, which will not be unreasonably withheld, conditioned or delayed: (A) agree to waive or extend the statute of limitations relating to any Taxes of the Acquired Companies for any Pre-Closing Tax Period, or (B) make or initiate any voluntary contact with a Governmental Body (including any voluntary disclosure agreement or similar process) for any Pre-Closing Tax Period for the Acquired Companies.

(b) **Cooperation.** The Parties will, and will cause their respective Affiliates and Representatives to, provide each other with such assistance as may reasonably be requested in

connection with the preparation and filing of any Tax Return of an Acquired Company or otherwise relating to the transactions contemplated by this Agreement (including signing any Tax Return), any audit or other examination by any Taxing Authority or any Proceedings relating to Liabilities for Taxes of the Acquired Companies. Such assistance will include making employees available on a mutually convenient basis to provide additional information or explanation of material provided hereunder and will include providing copies of relevant Tax Returns and supporting material. The Parties and their respective Affiliates will retain for the full period of any statute of limitations plus 60 days, and upon reasonable request will provide the other Parties with, any records or information which may be relevant to such preparation, audit, examination, Proceeding or determination.

(c) Tax Claims. If any Taxing Authority issues to any Acquired Company, Buyer or any of its Affiliates a written notice of its intent to audit, examine or conduct a Proceeding, or a written notice of its determination of an objection to an assessment, in either case solely with respect to Taxes or Tax Returns of the Acquired Companies for a Pre-Closing Tax Period (a “**Tax Claim**”), Buyer will give prompt notice to Wolverine of such Tax Claim following receipt; *provided, however*, that the failure to timely notify Wolverine will not relieve any Seller Party from Liability pursuant to ARTICLE 7 except to the extent such Seller Party is materially prejudiced as a consequence of such failure. Wolverine at its expense will control any Tax Claim with respect to the Acquired Companies for Pre-Closing Tax Periods (“**Seller Tax Claims**”); *provided, however*, that Wolverine will keep Buyer reasonably informed regarding the progress and substantive aspects of any Seller Tax Claim and Buyer will be entitled at its expense to participate in any Seller Tax Claim. Neither Wolverine nor any Affiliate will enter into any settlement of, or otherwise compromise, any such Seller Tax Claim without the prior written consent of Buyer, which consent will not be unreasonably withheld, delayed or conditioned. If Wolverine declines to exercise its control rights with respect to a Seller Tax Claim that Wolverine is entitled to control pursuant to this Section 4.4(c), Buyer, at Wolverine’s expense, will control such Tax Claim (“**Buyer Tax Claim**”) and will keep Wolverine reasonably informed regarding the progress and substantive aspects of any such Buyer Tax Claim and Wolverine will be entitled at their own expense to participate in any such Buyer Tax Claim. Buyer will not enter into any settlement of, or otherwise compromise, any Buyer Tax Claim without the prior written consent of Wolverine, which consent will not be unreasonably withheld, delayed or conditioned.

(d) Transfer Taxes. Any transfer, documentary, sales, use, excise, stamp, registration, filing, recordation, valued-added and other similar Taxes and fees (“**Transfer Taxes**”) that may be imposed or assessed as a result of the transfer of the Interests, together with any interest, additions, or penalties with respect thereto, and any interest in respect of such additions or penalties, will be borne 50% by Buyer and 50% by Wolverine, and will be paid to the appropriate Taxing Authority promptly when due by the Person having the obligation to pay such Transfer Tax under applicable Law. Any Transfer Taxes that may be imposed or assessed as a result of the Pre-Closing Contribution, the Aldo Transaction or the Shared IP License will be borne by Wolverine. Any Transfer Tax returns required to be filed in connection with the transfer of the Interests will be prepared by Wolverine. Wolverine shall provide a draft copy of such Tax Returns to Buyer for its review and comment as soon as reasonably practicable prior to the applicable filing deadline (taking into account applicable extensions).

(e) Purchase Price Allocation. The sum of the Purchase Price and any other applicable amounts required to be included under the Code will be allocated among the assets of the Acquired Companies in the manner required by Section 1060 of the Code and the Treasury Regulations promulgated thereunder and in accordance with the methodology set forth on Exhibit 4.4(e). Within 120 days after Closing, Buyer will deliver to Wolverine a draft of such allocation for Wolverine's review and approval. Within 15 days thereafter, Wolverine will deliver either a notice accepting the allocation prepared by Buyer or a statement setting forth in reasonable detail any objections thereto. If Wolverine timely delivers a statement setting forth objections in accordance with the previous sentence, Buyer and Wolverine will use their respective good faith efforts to resolve such objections. If Wolverine accepts the allocation prepared by Buyer (or does not within the 15-day period described above deliver a statement setting forth in reasonable detail any objections as described above), such allocation will be binding on the Parties without further adjustment. No Party or any Affiliate of any Party (including an Acquired Company) will take a position on any Tax Return that is in any manner inconsistent with the allocation as finally determined under this Section 4.4(e) without the written consent of the other Parties or unless specifically required pursuant to a determination by the applicable Taxing Authority. The Parties will promptly notify each other of the existence of any Tax Proceeding related to any allocation hereunder.

(f) Tax Indemnity. Seller Parties, jointly and severally, shall indemnify the Acquired Companies, Buyer and each of their Affiliates, and hold them harmless from and against any Adverse Consequences attributable to, (i) any and all Taxes of any Seller Party for any period, (ii) any and all Taxes of any of the Acquired Companies for any Pre-Closing Tax Period (or portion thereof), and, in the case of any taxable period that does not end on or prior to the Closing Date, any Taxes of the Acquired Companies allocable to the portion thereof ending on and including the Closing Date, (iii) any and all Taxes of any member of an affiliated, consolidated, combined, unitary or similar group of which any Acquired Company (or any predecessor of such Acquired Company) is or was a member on or prior to the Closing Date (including any such Taxes imposed on the such Acquired Company under Treasury Regulations Section 1.1502-6 or any comparable provision of foreign, state or local Law), (iv) any and all Taxes of any Person imposed on Buyer or the Acquired Companies arising under principles of transferee or successor Liability, by Contract or otherwise, relating to an event or transaction occurring on or before the Closing Date, and (v) any and all Transfer Taxes for which Seller Parties are responsible pursuant to Section 4.4(d) (collectively, the "**Tax Indemnity**"); *provided that*, for the avoidance of doubt, the amount that a Party will be entitled to recover under this Section 4.4(f) will be determined without duplication of any recovery under ARTICLE 7.

#### Section 4.5 Releases.

(a) Effective upon Closing, each Seller Party, for itself and on behalf of its Representatives, Affiliates, successors and assigns and each of their respective officers directors, managers, equityholders, employees and assigns (collectively, the "**Seller Party Releasors**"), irrevocably and unconditionally waives, releases and forever discharges each Acquired Company each of their respective Affiliates, predecessors, successors, direct and indirect subsidiaries and past and present direct and indirect equityholders, members, managers, directors, officers, employees, consultants, advisors, agents and other Representatives (collectively, "**Acquired Company Released Persons**") from any and all rights, claims, debts, Liabilities, causes of action,

obligations, arbitrations or other Proceedings and Adverse Consequences of any nature or kind, whether direct or indirect, known or unknown, matured or contingent, accrued or unaccrued, liquidated or unliquidated or due or to become due, whether for compensatory, special, consequential, incidental or punitive damages or equitable relief, whether based in Contract or any other basis, and whether arising in Law, in equity or otherwise, based upon facts, circumstances, occurrences or omissions existing, occurring or arising on or prior to Closing (collectively, the “**Released Claims**”). Released Claims will include any and all claims any Seller Party Releasor may have against either Acquired Company in relation to Contracts or other arrangements between an Acquired Company, on the one hand, and such Seller Party or its Affiliates (other than the Acquired Companies), on the other hand, entered into on or prior to the Closing Date. Notwithstanding the preceding sentence of this Section 4.5(a), “**Released Claims**” do not include (x) any claims or rights arising under this Agreement or another Transaction Document or (y) claims against any manager, director, officer, consultant, agent or other Representative for criminal activities (and, for purposes of clarity, such matters are not hereby released or discharged); *provided* that any Liability of an Acquired Company arising with respect to the Released Claims set forth in subsection (y) shall be deemed to be an Excluded Liability hereunder. Each Seller Party, for itself and on behalf of the Seller Party Releasors, hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim released hereby, or commencing, instituting or causing to be commenced, any Proceeding of any kind against any Acquired Company Released Person based on any Released Claim. The release under this Section 4.5(a) will remain effective in all respects notwithstanding such additional or different facts and legal theories or the discovery of those additional or different facts or legal theories. The Seller Party Releasors acknowledge and agree that, notwithstanding anything in this Section 4.5(a) to the contrary, the Seller Party Releasors will not be entitled to indemnification or contribution from an Acquired Company for Adverse Consequences claimed by any Buyer Indemnified Party pursuant to Article 7.

(b) Effective upon Closing, each Acquired Company, for itself and on behalf of its successors and assigns, and each of their respective officers, managers, employees and assigns (collectively, the “**Acquired Company Releasors**”), irrevocably and unconditionally waives, releases and forever discharges each Seller Related Person (other than the other Acquired Company), each of their respective Affiliates, predecessors, successors, direct and indirect subsidiaries and past and present direct and indirect equityholders, members, managers, officers, employees, consultants, advisors, agents and other Representatives and their respective successors and assigns (collectively, “**Seller Released Persons**”), from any and all rights, claims, debts, Liabilities, causes of action, arbitrations or other Proceedings and Adverse Consequences of any nature or kind, whether known or unknown, matured or contingent, accrued or unaccrued, liquidated or unliquidated or due or to become due, whether for compensatory, special, consequential, incidental or punitive damages or equitable relief, whether based in Contract or any other basis, and whether arising in Law, in equity or otherwise, based upon facts, circumstances, occurrences or omissions existing, occurring or arising on or prior to Closing; *provided, however*, that the foregoing release does not apply to claims or rights arising under this Agreement or another Transaction Document (and, for purposes of clarity, such matters are not hereby released or discharged). Each Acquired Company, for itself and on behalf the Acquired Company Releasors, hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim released hereby, or commencing, instituting or causing to be commenced, any Proceeding of any kind against any Seller Released Person based on any Released Claim. The release under this Section

4.5(b) will remain effective in all respects notwithstanding such additional or different facts and legal theories or the discovery of those additional or different facts or legal theories.

Section 4.6 **Saucony Representative**. Wolverine will act as a representative of Saucony and is authorized to do on behalf of Saucony any and all things, including executing any and all documents, which it deems necessary, convenient or appropriate to facilitate the consummation of the transactions contemplated by this Agreement and the other Transaction Documents, including: (a) receiving and disbursing payments to be made hereunder; (b) receiving notices and communications pursuant to this Agreement and the other Transaction Documents; (c) administering this Agreement and the other Transaction Documents, including the initiating and resolving of any disputes or claims; (d) agreeing to amendments of, or waivers of conditions and obligations under, this Agreement and the other Transaction Documents; and (e) taking any other actions on behalf of Saucony under this Agreement and the other Transaction Documents. A decision, act, consent or instruction of Wolverine hereunder will constitute a decision, act, consent or instruction of all the Seller Parties (as applicable) and will be final, binding and conclusive upon each Seller Party, and Buyer may rely upon any such decision, act, consent or instruction of Wolverine as being the decision, act, consent or instruction of each and every such Seller Party. Buyer will be relieved from any liability to any Person for any acts done by it in accordance with such decision, act, consent or instruction of Wolverine. Any payment made by any of the Buyer to Wolverine will be deemed to satisfy a payment obligation towards any of the Seller Parties.

Section 4.7 **Misdirected Payments**. From and after Closing, if any Party or any of its Affiliates receives payment from any Person that should have been made to another Party or any Affiliate of such other Party, the applicable Party will cause the Person receiving such payment to remit or transfer the same to the intended beneficiary under this Agreement no less frequently than monthly.

Section 4.8 **Cross-License to Shared IP**. Effective as of Closing, Buyer and its Affiliates (including the Acquired Companies), on one hand, and the Seller Parties and their respective Affiliates (other than the Acquired Companies), on the other hand, hereby grant to the other a fully paid-up, royalty-free, irrevocable, perpetual, sublicensable (through multiple tiers), assignable (as set forth below), worldwide, non-exclusive right and license under the Shared IP to use, practice or otherwise exploit the Shared IP in connection with any products or services of, or the operation or conduct of, the respective businesses of such Persons (the “**Shared IP License**”); *provided, however*, that Buyer’s and its Affiliates’ right to use the Shared IP under this Shared IP License extends solely and exclusively to use of the Shared IP on or in connection with the Sperry Brand, and the Seller Parties’ and their respective Affiliates’ right to use the Shared IP under this Shared IP License extends to use of the Shared IP on or in connection with any other current and future brands of Wolverine or its Affiliates. The Shared IP License is fully assignable and/or transferable in whole or in part in connection with the sale, license or other disposition of any other brand of Wolverine or its Affiliates, and is fully assignable and/or transferable in whole or in part in connection with the sale, license or other disposition of the Sperry Brand by Buyer. Buyer and its Affiliates, on the one hand, and the Seller Parties and their respective Affiliates, on the other hand, shall each have the right to enforce their respective rights in and to the Shared IP, and the non-enforcing Party(ies) shall reasonably cooperate (at the enforcing Party’s expense) in such enforcement efforts.

#### Section 4.9 **Confidentiality.**

(a) From and after Closing until the date that is five years after the Closing Date, Wolverine will, and will cause its Affiliates to, keep confidential and not use any non-public information included among or relating to the Interests or the assets of the Acquired Companies, other than for purposes contemplated herein or by the Aldo Transaction, including in connection with satisfying its obligations, enforcing its rights and defending against any claim under this Agreement or another Transaction Document; *provided, however*, that Wolverine and its Affiliates will not be liable hereunder with respect to any disclosure to the extent such disclosure is required by any applicable Law or Order, including applicable rules of any securities exchange. In the event that Wolverine or any of its Affiliates is required by any applicable Law or Order to disclose any such non-public information, Wolverine will (i) to the extent practicable and permissible by such applicable Law or Order, provide Buyer with prompt written notice of such requirement, (ii) disclose only that information that Wolverine determines (with the advice of counsel) is required by Law or Order to be disclosed, and (iii) use commercially reasonable efforts to preserve the confidentiality of such non-public information, including by, at Buyer's request, reasonably cooperating with Buyer in its efforts to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded such non-public information (at the requesting Buyer's sole cost and expense). Notwithstanding the foregoing, non-public information will not include information that (A) is or becomes available to the public after Closing other than as a result of a disclosure by Wolverine or its Affiliates in breach of this Section 4.9 or (B) becomes available to Wolverine or its Affiliates after Closing from a source other than Buyer or its Affiliates if the source of such information is not known (after reasonable inquiry) by Wolverine to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Buyer or its Affiliates with respect to such information.

(b) From and after Closing until the date that is five years after Closing, Buyer will, and will cause its Affiliates to, keep confidential and not use any non-public information of Wolverine or its Affiliates that is not related to the Interests or the Acquired Companies. In the event that Buyer or any of its Affiliates is required by any applicable Law or Order to disclose any such non-public information, Buyer will (i) to the extent practicable and permissible by Law or Order, provide Wolverine with prompt written notice of such requirement, (ii) disclose only that information that Buyer determines (with the advice of counsel) is required by Law or Order to be disclosed, and (iii) use commercially reasonable efforts to preserve the confidentiality of such non- public information, including by, at Wolverine's request, reasonably cooperating with Wolverine in its efforts to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded such non-public information (at Wolverine's sole cost and expense). Notwithstanding the foregoing, such non-public information will not include information that (A) is or becomes available to the public after Closing other than as a result of a disclosure by Buyer or its Affiliates in breach of this Section 4.9, (B) becomes available to Buyer or its Affiliates from a source other than Wolverine or its Affiliates, if the source of such information is not known (after reasonable inquiry) by Buyer or its Affiliates to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Wolverine or its Affiliates with respect to such information, or (C) is independently developed by Buyer or its Affiliates without breach of this Section 4.9, as shown by reasonable documentary evidence.

Section 4.10 **Intellectual Property Title Matters.** From and after Closing, the Seller Parties will use commercially reasonable efforts to take IP Title Defect Correction Actions to promptly resolve any IP Title Defect. Wolverine will be responsible for and pay the expenses incurred by it and the other Seller Parties in connection with any IP Title Defect Correction Actions, and will deliver all documentation that is filed concerning the IP Title Defect Correction Actions to Buyer at such time the IP Title Defect Correction Actions are taken. For purposes of this Section 4.10: (a) “**IP Title Defects**” means, with respect to any Registered Intellectual Property, such Registered Intellectual Property (i) is not in the current legal name of an Acquired Company, (ii) is subject to a chain of title defect or (iii) is subject to any form of Encumbrance (other than Permitted Encumbrances) and (b) “**IP Title Defect Correction Actions**” means the preparation, execution and recordation of such instruments and documents necessary to cure an IP Title Defect.

Section 4.11 **License Fees.** Notwithstanding anything to the contrary set forth herein, the Seller Parties are entitled to (a) all payments made by any licensee under any Company Outbound License (*i.e.*, royalties) with respect to periods ending before the Closing Date and (b) their pro-rated share of any payment (*i.e.*, royalties) made by any licensee under any Company Outbound License before or after the Closing Date that are attributable to a period of time which commences before the Closing Date and ends on or after the Closing Date (the “**Seller Parties’ Straddle Period License Payments**”), and Buyer is entitled to retain each Acquired Company’s pro-rated share of any payment (*i.e.*, royalties) made by any licensee under any applicable Company Outbound License on and after the Closing Date attributable to a period of time which commences before the Closing Date and ends on or after the Closing Date (the “**Buyer’s Straddle Period License Payments**”). Within 30 days following Buyer’s or the applicable Acquired Company’s receipt of a royalty payment (the “**Royalty Payment**”) from a licensee covering the period that includes the Closing Date (a “**Royalty Straddle Period**”), Buyer will provide to the Seller Parties its calculation of the Seller Parties’ Straddle Period License Payments and payment of the same by wire transfer of immediately available funds to an account or accounts directed by the Seller Parties in writing. If a Seller Party receives prior to or after the Closing Date a royalty payment from a licensee covering a Royalty Straddle Period, then within the later of 30 days of receipt of such statement or at the Closing Date, such Seller Party will provide to Buyer its calculation of Buyer’s Straddle Period License Payments and payment of the same by wire transfer of immediately available funds to an account or accounts directed by Buyer in writing. For the avoidance of doubt, the proportion of any Royalty Payment that is a Seller Parties’ Straddle Period License Payment will be the fraction whose numerator is the number of days from the first day of the applicable measurement period under the relevant Company Outbound License to the day before the Closing Date and whose denominator is the number of days in the applicable measurement period under the relevant Company Outbound License. The proportion of any Royalty Payment that is a Buyer’s Straddle Period License Payment will be the fraction whose numerator is the number of days commencing on the Closing Date to the last day of the applicable measurement period under the relevant Company Outbound License and whose denominator is the number of days in the applicable measurement period under the relevant Company Outbound License. Notwithstanding any other provision of this Agreement, any dispute, controversy or claim arising out of or relating to this Section 4.11 (a “**Royalty Dispute**”) that the Seller Parties and Buyer, using commercially reasonable efforts, are not able to resolve through direct good-faith negotiation, will be resolved in accordance with the procedures set forth in this Section 4.11. If there has been no resolution of such Royalty Dispute after direct negotiation within sixty (60) days



of commencement thereof, then any Party may seek resolution of the Royalty Dispute by RSM US LLP and, if the Parties are unable to engage RSM US LLP for any reason, the Buyer and Wolverine will each designate a nationally or regionally recognized independent accounting firm with whom it and its Affiliates have no current professional relationship and the accounting firm to resolve the Royalty Dispute will be chosen by lot (RSM US LLP or such other chosen accounting firm, the “**Accounting Firm**”). The Accounting Firm will be instructed to resolve the Royalty Dispute in accordance with this Section 4.11 and such resolution will be: (a) set forth in writing and signed by the Accounting Firm; (b) delivered to each Party as soon as practicable after the Royalty Dispute is submitted to the Accounting Firm but no later than the 20th day after the Accounting Firm is instructed to resolve the Royalty Dispute; (c) made in accordance with this Agreement; and (d) final, binding and conclusive on each Party. The Accounting Firm will act as an expert and not an arbitrator and will exercise its discretion independently to resolve only the disputed items, but within the range of the differences between the Parties. Each Party will provide the Accounting Firm with all books and records in its possession relevant to the determinations to be made by it. No Party will (and each Party will cause its Affiliates and Representatives not to) meet or discuss any substantive matters with the Accounting Firm without the other Party and its Representatives present or having the opportunity following at least three Business Days’ written notice to be present, either in person or by telephone. The Accounting Firm will have the power to require a Party to provide to it such books and records and other information it deems relevant to the resolution of the Royalty Dispute, and to require a Party to answer questions that it deems relevant to the resolution of the Royalty Dispute. All books and records and other information (including answers to questions from the Accounting Firm) submitted to the Accounting Firm must be concurrently delivered to the other Party. All disputes with respect to any Royalty Dispute will be resolved exclusively by the Accounting Firm. The Accounting Firm will allocate its fees and expenses to the respective Parties based on the inverse of the percentage that the Accounting Firm’s resolution of the disputed items (before such allocation) bears to the total amount of the disputed items as originally submitted to the Accounting Firm. For example, should the total amount of the disputed items as originally submitted to the Accounting Firm equal \$1,000 and the Accounting Firm awards \$600 in favor of Wolverine’s position, 60% of the fees and expenses of the Accounting Firm would be borne by Buyer and 40% of the fees and expenses of the Accounting Firm would be borne by Wolverine.

**Section 4.12 Retained Sell-Off Products.** The Parties acknowledge and agree that the sale of Retained Sell-Off Products, including in Excluded Stores or Excluded Closing Stores, shall be addressed and conducted solely in accordance with the terms and conditions of the Retail Store License Agreement, and upon the sooner of the applicable Closing Date (as such term is defined in the Retail Store License Agreement) or the termination of the Retail Store License Agreement, the Seller Parties and their Affiliates shall not be permitted to sell any Sperry-branded products in any jurisdiction.

**Section 4.13 Public Announcements.** No Party will, and each Party will cause its Affiliates and direct its Representatives not to, issue or cause the publication of any press release or other public announcement with respect to the transactions contemplated by this Agreement or another Transaction Document without the prior written consent of Buyer and Wolverine, which consent will not be unreasonably withheld, delayed or conditioned; *provided, however*, that a Party may, without the prior written consent, issue or cause the publication of any such press release or public announcement to the extent that such Party reasonably determines, after consultation with

legal counsel, such action to be required by applicable Law or pursuant to a listing agreement with or rules of any national securities exchange or interdealer quotation service, in which event such Party will use commercially reasonable efforts to allow Buyer or Wolverine (as applicable) reasonable time to comment on such press release or public announcement in advance of its issuance. Notwithstanding the foregoing, Buyer understands that Wolverine will publicly announce the consummation of the transactions contemplated by this Agreement or another Transaction Document and Buyer has been provided a copy of such proposed release and had an opportunity to comment thereon.

Section 4.14 **Data Room**. On or prior to the Closing Date, the Seller Parties shall deliver to Buyer an electronic copy of the Data Room as such Data Room existed on the Closing Date.

Section 4.15 **Domain Name Transfer**. Within thirty (30) calendar days following the Closing Date, the Seller Parties shall execute and deliver to Buyer all documents, papers, forms, and authorizations, and take all such other actions as are necessary in accordance with the procedures of the applicable Internet domain name registrars to effectuate and evidence the transfer of, or cause others to effectuate and evidence the transfer of, ownership, access and control (including administrative and technical access) to Buyer (or its designee) of all Domain Names listed on Schedule 2.9(a). In furtherance of the foregoing, the Seller Parties will designate an employee of Wolverine and an employee of Corporation Service Company with access to Wolverine's applicable account(s) with Corporation Service Company to act as Buyer's dedicated contacts, to assist Buyer (which will bear its own costs and expenses) in all reasonable efforts to complete the transfer contemplated in this Section 4.15. In addition, and without limitation, to the foregoing, the Seller Parties shall also deliver all transfer codes for each Social Media account listed with an asterisk on Schedule 2.9(a) to Buyer at Closing, and will designate an employee of Wolverine to likewise assist Buyer (which will bear its own costs and expenses) in all reasonable efforts to complete the transfer of such Social Media accounts to Buyer or its designee.

Section 4.16 **Pending Proposition 65 Matter**. With respect to the Pending Proposition 65 Matter, Wolverine will retain all responsibility for the settlement thereof under the consent judgment entered into in connection therewith and will pay all required sums in connection with such consent judgment, and, for the avoidance of doubt, any such amount(s) shall be Excluded Liabilities.

Section 4.17 **Keds Purchase Agreement**. With respect to Section 6.6 (Tax Matters) of the Keds Purchase Agreement, as between SR Holdings and Wolverine, Wolverine acknowledges and agrees that to the extent such covenants are applicable to SR Holdings, all such covenants shall be performed and associated obligations discharged by Wolverine on behalf of SR Holdings. Further, in the event SR Holdings receives a written notice from Vincent Camuto LLC or DBI Brands Management LLC pursuant to Sections 6.2 (Further Assurances) or Section 6.14 (Books and Records) of the Keds Purchase Agreement, Wolverine shall use commercially reasonable efforts to first satisfy all requests that are the subject of such notice so as to reduce the need for SR Holdings to perform under such covenant. Finally, with respect to Section 7.1 (Notices) of the Keds Purchase Agreement, Wolverine shall promptly provide Buyer a copy of any notice received that relates to or implicates SR Holdings, including those would give rise to a claim pursuant to Section 7.2(a).

Section 4.18 **Collaboration Agreements**. Payment of fees under the collaboration agreements set forth on **Exhibit 8.3** will be made by Wolverine under the terms of the transition services agreement to be entered into in connection with the Aldo Transaction and such fees will be reimbursed by Aldo as marketing expenses.

**ARTICLE 5**  
**[RESERVED]**

**ARTICLE 6**  
**[RESERVED]**

**ARTICLE 7**  
**INDEMNIFICATION**

Section 7.1 **Survival**. The right to seek indemnification in connection with the breach of representations and warranties contained in this Agreement will survive until the 15-month anniversary of the Closing Date (the “**General Survival Period Expiration Date**”) and will terminate on such date, except to the extent that any claims for indemnification in respect of a breach of any such representation or warranty is made on or before such General Survival Period Expiration Date, in which case such representation or warranty will survive, solely with respect to any pending claims until the resolution of such claim. Notwithstanding anything herein to the contrary (including the preceding sentence), with respect to the Seller Fundamental Representations, the Tax Indemnity or the Buyer Fundamental Representations, the right to seek indemnification will survive the Closing Date until the six (6) year anniversary of the Closing Date, and will terminate on such date, except that any representation and warranty that is the subject of a pending claim will survive, solely with respect to such claim, until the resolution of such claim. Any claims involving Fraud shall not be barred by the expiration of the survival period of the relevant representation or warranty included herein or otherwise and shall be able to be brought at any time after the Closing.

Section 7.2 **Indemnification**.

(a) Following Closing, the Seller Parties, jointly and severally, will indemnify and defend Buyer and its Affiliates and their respective owners, officers, directors, managers, employees, agents, Representatives, successors and authorized assigns (the “**Buyer Indemnified Parties**”) for, and save and hold each of them harmless against, and will pay and reimburse each of them for, any Adverse Consequence suffered or sustained, directly or indirectly, as a result of:

- (i) any inaccuracy in or breach of any representation or warranty made by the Seller Parties in this Agreement (other than the Seller Fundamental Representations);
- (ii) any inaccuracy in or breach of any Seller Fundamental Representation;
- (iii) any breach or non-fulfillment of any covenant or obligation of the Seller Parties in this Agreement;
- (iv) any Excluded Liabilities;

- (v) Taxes included in the Tax Indemnity;
- (vi) all Seller Transaction Expenses; and
- (vii) the items set forth on Schedule 7.2(a)(vii).

(b) Following Closing, Buyer will indemnify and defend each Seller Party and each of their respective Affiliates and their respective owners, officers, directors, managers, employees, agents, Representatives, successors and authorized assigns (the “**Seller Indemnified Parties**”) for, and save and hold each of them harmless against, and will pay and reimburse each of them for, any Adverse Consequence suffered or sustained, directly or indirectly, as a result of:

- (i) any inaccuracy in or breach of any representation or warranty made by Buyer in this Agreement (other than the Buyer Fundamental Representations);
- (ii) any inaccuracy in or breach of any Buyer Fundamental Representation; and
- (iii) any breach or non-fulfillment of any covenant or obligation of Buyer in this Agreement.

Section 7.3 **Limitations**. The indemnification provided for in Section 7.2 will be subject to the following limitations:

(a) The Seller Parties will not be liable to the Buyer Indemnified Parties with respect to claims made pursuant to Section 7.2(a)(i) until the aggregate amount of all Adverse Consequences subject to indemnification under Section 7.2(a)(i) exceeds \$700,000 (the “**Basket**”), in which case the Seller Parties will be liable for all Adverse Consequences in excess thereof; *provided, however*, that with respect to the Seller Parties’ indemnification obligations under Section 7.2(a)(i), the Seller Parties will not be liable for any individual Adverse Consequences which do not exceed \$25,000 (the “**Mini-Basket**”) and such Adverse Consequences will not be taken into account in determining whether the Basket has been exceeded. With respect to claims made pursuant to Section 7.2(a)(i), except in respect to claims arising from Fraud, the aggregate amount of all Adverse Consequences for which the Seller Parties will be liable will not exceed \$7,000,000.

(b) Except with respect to claims made with respect to the Tax Indemnity, any inaccuracy in or breach of any representations in Section 2.6, any breach of or nonfulfillment of any covenant or obligation of any Seller Party under Section 4.4 or claims arising from Fraud, the aggregate amount of all Adverse Consequences for which the Seller Parties will be liable under Section 7.2(a)(ii) and Section 7.2(a)(iii) will not exceed an amount equal to the Purchase Price.

(c) Each Party will use commercially reasonable efforts to mitigate Adverse Consequences subject to indemnification under this ARTICLE VII to the extent reasonably practicable or as required by applicable Law; *provided* that the failure to mitigate any Adverse Consequences shall not relieve the Indemnifying Party of its indemnification obligations set forth in this Agreement as long as reasonable steps to mitigate such Adverse Consequences were taken. For the avoidance of doubt, any out-of-pocket costs of an Indemnified Party incurred in connection

with any mitigation undertaken pursuant to this Section 7.3(c) shall be deemed “Adverse Consequences” of such Indemnified Party.

(d) Each Party will use its commercially reasonable efforts to seek recovery under available insurance policies, indemnity, contribution or reimbursement Contracts or other rights of recovery for any Adverse Consequence subject to indemnification under this ARTICLE 7 (collectively, “**Alternative Arrangements**”) but any failure or delay in receiving any such recovery shall not preclude or delay an Party from seeking and obtaining indemnification from the applicable Party obligated to provide indemnification hereunder. The amount of Adverse Consequences that an Indemnified Party will be entitled to recover will be calculated net of amounts recovered by the Indemnified Party under any Alternative Arrangements. In the event that any amounts are recovered by any Indemnified Party for Adverse Consequences previously indemnified under this ARTICLE 7, then the Indemnified Party will promptly refund to the Indemnifying Party an amount equal to the lesser of: (i) the aggregate amount recovered (net of all costs of recovery), and (ii) the aggregate amount previously paid to the Indemnified Party by the Indemnifying Party pursuant to this in respect of such Adverse Consequences.

(e) The amount of Adverse Consequences that an Indemnified Party will be entitled to recover under this ARTICLE 7 will be determined without duplication of recovery by reason of the state of facts giving rise to such Adverse Consequences constituting a breach of more than one representation, warranty, covenant or agreement.

(f) For purposes of this ARTICLE 7 (including for purposes of determining the existence of any inaccuracy in, or breach of, any representation or warranty and for calculating the amount of any Adverse Consequence resulting therefrom), any inaccuracy in or breach of any representation or warranty will be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty, other than any materiality limitation or qualification set forth in the definition of Material Adverse Effect to which this Section 7.1(e) will not apply.

#### Section 7.4 **Indemnification Procedures.**

(a) Promptly after receipt by a Person entitled to be indemnified under this ARTICLE 7 (an “**Indemnified Party**”) of notice of the commencement of a Proceeding by a third party (including a Governmental Body) against it (a “**Third-Party Proceeding**”) or discovering the Liability, obligation or facts giving rise to such claim for indemnification, the Indemnified Party will, if a claim for indemnification is to be made against a Party under this ARTICLE 7 (an “**Indemnifying Party**”), give prompt written notice to the Indemnifying Party of the commencement of such Third-Party Proceeding or discovering the Liability, obligation or facts for which indemnification may be sought: (i) describing in reasonable detail the nature of and basis for the claim; (ii) stating the estimated amount thereof (if then known and quantifiable) and describing in reasonable detail the basis on which such amount was calculated; and (iii) identifying the provisions of this Agreement upon which indemnification for the claim is based. Except as provided in Section 7.1, the failure to timely notify the Indemnifying Party or provide the information described above will not relieve the Indemnifying Party of any Liability or obligation that the Indemnifying Party may have to an Indemnified Party except to the extent that such failure actually prejudices the Indemnifying Party.

(b) With respect to a Third-Party Proceeding commenced against a Buyer Indemnified Party in connection with the Keds Purchase Agreement, no Buyer Indemnified Party shall bear any out-of-pocket costs and accordingly, (i) the Indemnifying Party shall be required to assume the defense of such Third-Party Proceeding, (ii) the Buyer Indemnified Party will have the right to participate in the defense of such Third-Party Proceeding with counsel selected by it at its sole cost and expense, subject to the Indemnifying Party's right to control the defense thereof, and (iii) the rights of the Buyer Indemnified Party with respect to settlement of such Third-Party Proceeding by an Indemnifying Party shall apply. In all other cases, the Indemnifying Party(ies) will be entitled to participate in a Third-Party Proceeding with respect to which indemnification has been sought hereunder and, to the extent that the Indemnifying Party wishes, to assume the defense of such Third-Party Proceeding (with counsel of its choice that is reasonably satisfactory to the Indemnified Party(ies)); *provided, however*, that the Indemnifying Party will not be required to pay for more than one such counsel (in addition to local counsel, as applicable) for all Indemnified Parties in connection with any single Third-Party Proceeding by notifying the Indemnified Party(ies) of its election to do so within 30 days after receipt of notice of the applicable claim from the Indemnified Party(ies); *provided, however*, that the Indemnifying Party will not be permitted to assume the defense of a Third-Party Proceeding if: (A) such Third-Party Proceeding seeks as a primary remedy an injunction or other equitable relief (or any relief other than monetary damages) against the Indemnified Party or any of its Affiliates that the Indemnified Party reasonably determines cannot be separated from any related claim for monetary damages or a finding or admission of a violation of Law by the Indemnified Party or any of its Affiliates; (B) in the reasonable opinion of counsel to the Indemnified Party there are bona fide defenses available to the Indemnified Party that may not be asserted by the Indemnifying Party or there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived; (C) if a Seller Indemnified Party is entitled to indemnification, to the extent related to any business of the Seller Parties or their Affiliates other than the Business; (D) the Indemnified Party reasonably believes would be materially detrimental to, or materially injure, the Sperry Brand or the reputation or future business prospects the Sperry Brand or Indemnified Party if an adverse determination were rendered with respect thereto; or (E) such Third-Party Proceeding relates to or arises in connection with any criminal or quasi-criminal Proceeding, indictment or allegation. Following an assumption of defense of a Third-Party Proceeding by an Indemnifying Party, the Indemnified Party will have the right to participate in the defense of such Third-Party Proceeding with counsel selected and paid for by it subject to the Indemnifying Party's right to control the defense thereof and the Indemnifying Party will have no further responsibility for any fees of legal counsel or other expenses subsequently incurred by the Indemnified Party in connection with such Proceeding. If an Indemnifying Party assumes the defense of a Third-Party Proceeding, no compromise or settlement of the underlying claims may be effected by it without the Indemnified Party's consent (which will not be unreasonably withheld, delayed or conditioned), unless: (w) the sole relief provided is monetary damages that are paid in full or otherwise provided for by the Indemnifying Party concurrently with the compromise or settlement; (x) such compromise or settlement provides for a complete release from Liabilities of the Indemnified Parties with respect to the claim(s) asserted against the Indemnified Parties in the applicable Third-Party Proceeding; (y) such compromise or settlement contains no finding or admission of a violation of Law or wrongdoing on the part of the Indemnified Parties or any of their Affiliates; and (z) such settlement or judgment does not create an Encumbrance on any asset of the Indemnified Party, impose any restriction upon its use of the assets of an Acquired Company or otherwise adversely affect, in any

material respect, the use of the assets of an Acquired Company or results in injunctive or other equitable relief of any nature imposed against any Indemnified Party. If the Indemnifying Party elects not to compromise or defend a Third-Party Proceeding, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement or fails to diligently prosecute the defense of such Third-Party Proceeding, the Indemnified Party may, subject to the following sentence, pay, compromise, defend such Third-Party Proceeding and seek indemnification for any and all indemnifiable Adverse Consequences resulting or arising from such Third-Party Proceeding. Whether or not an Indemnifying Party assumes the defense of a Third-Party Proceeding, the Indemnified Party will not settle such proceeding without the prior written consent of the Indemnifying Party (which will not be unreasonably withheld, delayed or conditioned); *provided, however*, that the Indemnified Party will have the right to settle any such proceeding without the prior written consent of the Indemnifying Party if the Indemnified Party first waives any right to indemnity under this Agreement with respect to such proceeding or any related claim.

(c) Assumption of the defense of a Third-Party Proceeding by an Indemnifying Party will not constitute an admission of responsibility to indemnify or in any manner impair or restrict that Indemnifying Party's right to defend a claim by the Indemnified Party for indemnification with respect to such Third-Party Proceeding. If an Indemnifying Party timely elects to assume the defense of a Third-Party Proceeding but subsequently determines in good faith that indemnification with respect to such proceeding is not required under this ARTICLE 7, such Indemnifying Party may elect to transfer the defense back to the Indemnified Party with the Parties to act in good faith to effect such transfer in a manner that would not materially prejudice the rights of the Indemnified Party. The Indemnified Party will reimburse the Indemnifying Party for its costs and expenses incurred in connection with a Third-Party Proceeding (i) if a court of competent jurisdiction has determined that indemnification is not required under this ARTICLE 7 or (ii) upon the Indemnifying Parties election to transfer the defense back to the Indemnified Party, conditioned on the agreement by the Indemnified Party that indemnification is not required under this ARTICLE 7.

(d) Each Party will make available to each other Party and such other Party's Representatives its books and records and, as applicable, employees relating to a Third-Party Proceeding as may be reasonably requested by such other Party, and each Party will reasonably cooperate to help insure the proper and adequate defense of such Third-Party Proceeding.

(e) A claim for indemnification for any matter not involving a Third-Party Proceeding must be asserted by written notice to the Indemnifying Party: (i) describing in reasonable detail the nature of and the underlying basis for such claim; (ii) stating the estimated amount thereof (if then known and quantifiable) and describing in reasonable detail the basis on which such amount was calculated; and (iii) identifying the provisions of this Agreement upon which such claim is based. Except as provided in Section 7.1, the failure to timely notify the Indemnifying Party or provide the information described above will not relieve the Indemnifying Party of any liability that the Indemnifying Party may have to an Indemnified Party except to the extent that the Indemnifying Party actually prejudiced by the Indemnified Party's failure to provide timely notice or such information.

(f) The Indemnifying Party will pay to the Indemnified Party the amount of any Adverse Consequence for which it is liable hereunder in immediately available funds to an account specified by the Indemnified Party no later than five Business Days following (i) an agreement between the Parties with respect to such Adverse Consequence and the Indemnifying Party's liability therefor or (ii) a final and non-appealable Order by a court of competent jurisdiction with respect to such Adverse Consequence and the Indemnifying Party's liability therefor. Any payment of a claim for indemnification under this ARTICLE 7 will be accounted for as an adjustment to the Purchase Price for all Tax purposes to the extent permitted by applicable Law.

(g) Notwithstanding any other provision of this Agreement, the control of any Tax Claim will be governed exclusively by Section 4.4(c).

(h) Except for claims for Fraud or a Party's right to seek specific performance or other equitable relief pursuant to Section 9.12, following Closing, this ARTICLE 7 constitutes the sole and exclusive remedy of the Buyer Indemnified Parties and the Seller Indemnified Parties with respect to any matters arising under or with respect to this Agreement or the transactions contemplated hereby (excluding, for the avoidance of doubt, any rights, claims or remedies arising under the Retail Store License Agreement). In furtherance of the foregoing, following Closing, each Party (on behalf of itself and the Buyer Indemnified Parties, in the case of Buyer, and on behalf of themselves and the Seller Indemnified Parties, in the case of the Seller Parties) hereby irrevocably waives, releases and discharges from and after Closing, to the fullest extent permitted under applicable Law, any and all other rights, claims and causes of action that it may have or may in the future have against the other Parties relating to the transactions contemplated hereby (excluding, for the avoidance of doubt, any rights, claims or remedies arising under the Retail Store License Agreement). For purposes hereof, any Fraud by any employee of any Party in connection with the making of a false representation of material fact made in ARTICLE 2 or ARTICLE 3 by such Party shall be deemed the Fraud of such Party.

#### Section 7.5 Acknowledgments.

(a) The Parties agree that the limits imposed on the Buyer Indemnified Parties' remedies with respect to this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby were specifically bargained for between sophisticated parties and were specifically taken into account in determining amounts to be paid to the Seller Parties hereunder or under another Transaction Document.

(b) Buyer, on its own behalf and on behalf of the Buyer Indemnified Parties, acknowledges and agrees that (i) none of the Seller Related Persons or any Person acting on their respective behalf makes or has made any representation or warranty, express or implied, in respect of the Business, the Interests or the Acquired Companies, any of their respective assets, Liabilities or operations or the transactions contemplated by this Agreement or another Transaction Document, other than the Express Representations, each as qualified by the Disclosure Schedule, and (ii) neither Buyer, another Buyer Indemnified Party nor any other Person has relied upon or been induced by the accuracy or completeness of any express or implied representation, warranty, statement or information of any nature made or provided by any Person (including in any data room, confidential information memorandum, management presentation or projections) on behalf



of any Seller Related Person or any Person acting on their respective behalf, other than the Express Representations, each as qualified by the Disclosure Schedule. In addition, Buyer, on its own behalf and on behalf of the other Buyer Indemnified Parties, waives all rights and claims it or they may have against any Seller Related Person and any Person acting on their respective behalf with respect to the accuracy of, any omission or concealment of, or any misstatement with respect to, any potentially material information regarding the Business, the Interests, the Acquired Companies, any of their respective assets, Liabilities or operations or the transactions contemplated by this Agreement or other Transaction Document, except as expressly set forth in the Express Representations, each as qualified by the Disclosure Schedule. EXCEPT FOR THE EXPRESS REPRESENTATIONS, NONE OF THE SELLER RELATED PERSONS OR ANY PERSON ACTING ON THEIR RESPECTIVE BEHALF MAKES OR PROVIDES, EACH SELLER PARTY DISCLAIMS AND BUYER HEREBY WAIVES, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE INTERESTS OR AS TO THE QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR CONDITION OF THE ACQUIRED COMPANIES' ASSETS OR ANY PART THEREOF. In connection with Buyer's investigation of the Business, Buyer has received, may have received or may in the future receive certain projections, including projected statements of operating revenues and income from operations of the Business and certain business plan information. Buyer acknowledges that there are uncertainties inherent in attempting to make estimates, projections, budgets, pipeline reports and other forecasts and plans, that Buyer is familiar with such uncertainties and is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections, budgets, pipeline reports and other forecasts and plans, so furnished to it, including the reasonableness of the assumptions underlying such estimates, projections, budgets, pipeline reports and other forecasts and plans and that Buyer will have no claim against anyone with respect thereto. Buyer hereby acknowledges that none of the Seller Related Persons or any Person acting on their respective behalf, whether in an individual, corporate or any other capacity, is making any representation or warranty with respect to such estimates, projections, budgets, pipeline reports and other forecasts and plans, including the reasonableness of the assumptions underlying such estimates, projections, budgets, pipeline reports, forecasts and plans, and that Buyer has not relied on any such estimates, projections, budgets, pipeline reports or other forecasts and plans. Buyer further agrees, for themselves and the other Buyer Indemnified Parties, that (i) none of the Seller Related Persons or any other Person will have or be subject to any Liability to any Buyer Indemnified Party or any other Person resulting from the distribution to Buyer or any other Buyer Indemnified Party, or Buyer's or any other Buyer Indemnified Party's use of, any such information, including any information, document or material made available to Buyer or any other Buyer Indemnified Party in "data rooms," management presentations, the confidential information memorandum or in any other form in connection with the transactions contemplated by this Agreement or another Transaction Document, including Liability related to the completeness or accuracy of any such information, and (ii) Buyer has not relied on or been induced by any such information.

## **ARTICLE 8** **DEFINITIONS**

For purposes of this Agreement, the following terms have the meanings specified in this ARTICLE 8:

**“Accounting Firm”** has the meaning set forth in Section 4.11.

**“Acquired Company”** and **“Acquired Companies”** have the meanings set forth in the Recitals.

**“Acquired Company IP”** means Company Intellectual Property and all Company Intellectual Property Rights owned, purported to be owned, or held for use by an Acquired Company.

**“Acquired Company Released Persons”** has the meaning set forth in Section 4.5(a).

**“Acquisition Date”** means October 9, 2012, which is the closing date of the transaction pursuant to which the Seller Parties acquired the Acquired Companies.

**“Adverse Consequence”** means any loss, cost, Liability, obligation, Tax disbursement, deficiency, damage, fine, judgment, fee, award or reasonable expense (including reasonable legal, accounting and other professional fees and expenses) and including the reasonable cost of investigation, preparation and defense and settlement of any action in connection therewith or the assertion of any right to indemnification hereunder and the cost of pursuing any insurance providers, in each case, whether or not covered by insurance or a third party, whether such matters arise out of contract, tort, violation of Law or any other theory and whether such matters are brought or initiated by a Person or a Governmental Body; *provided*, that Adverse Consequence does not include punitive or exemplary damages, or special or consequential damages to the extent not reasonably foreseeable, except to the extent any such damages are asserted by an unaffiliated third Person against an Indemnified Party part as part of a Third-Party Proceeding and found by a court of competent jurisdiction or arbitral tribunal or otherwise determined in accordance with Section 7.4(b) to be owed to such unaffiliated third Person; *provided, further*, that with respect to the Seller Parties indemnification obligations hereunder with respect to any Third-Party Proceeding arising from Keds Purchase Agreement, “Adverse Consequences” shall be deemed to mean “Losses” as defined in the Keds Purchase Agreement.

**“Affiliate”** means, as applied to any Person, any other Person who, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” means the possession, directly or indirectly, through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of stock, by Contract or otherwise.

**“Agreement”** has the meaning set forth in the Preamble.

**“Aldo”** has the meaning set forth in the Recitals.

**“Aldo Transaction”** means the transactions contemplated by that certain Purchase Agreement, dated as of the date hereof, by and among Aldo, Wolverine and the other parties identified therein.

**“Basket”** has the meaning set forth in Section 7.3(a).

**“Business”** has the meaning set forth in the Recitals.

**“Business Day”** means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in the States of Michigan, Delaware or New York or the Province of Ontario.

**“Buyer”** has the meaning set forth in the Preamble.

**“Buyer Fundamental Representations”** means the representations and warranties set forth in Section 3.1 (Organization), Section 3.2 (Authorization), Section 3.3 (Noncontravention) and Section 3.9 (Broker’s Fees).

**“Buyer Indemnified Parties”** has the meaning set forth in Section 7.2(a).

**“Buyer’s Straddle Period License Payments”** has the meaning set forth in Section 4.11.

**“Buyer Tax Claim”** has the meaning set forth in Section 4.4(c).

**“Certain Events”** means (a) the presence, outbreak and spread of coronavirus (COVID- 19) and the associated impacts on or changes in economic, market, industry, political or social conditions related thereto, including effects on the Business and the industry in which it operates and financial, banking and securities markets, (b) supply chain disruptions affecting the industry in which the Business operates, and (c) geo-political hostilities and the resulting impacts of those hostilities.

**“Closing”** has the meaning set forth in Section 1.3.

**“Closing Date”** has the meaning set forth in Section 1.3.

**“Code”** means the United States Internal Revenue Code of 1986, as amended.

**“Company Copyrights”** means each registered copyright and each pending copyright application that, in each case, is (a) owned or purported to be owned by a Seller Party or any of its Affiliates and used exclusively in connection with the Business or (b) owned or purported to be owned by an Acquired Company.

**“Company Data Agreement”** has the meaning set forth in Section 2.10.

**“Company Inbound Licenses”** has the meaning set forth in Section 2.9(b).

**“Company Intellectual Property”** means all Intellectual Property that is the subject of the Company Owned Intellectual Property Rights and all other Intellectual Property used or held for use by (a) an Acquired Company or (b) a Seller Party or any of its Affiliates exclusively in connection with the Business.

**“Company Intellectual Property Rights”** means all Company Owned Intellectual Property Rights, all Intellectual Property Rights licensed to a Seller Party or an Acquired Company in Other Intellectual Property and all other Intellectual Property Rights in Intellectual Property used or held for use by (a) an Acquired Company or (b) a Seller Party or any of its Affiliates exclusively in connection with the Business.

**“Company IP Licenses”** has the meaning set forth in Section 2.9(c).

**“Company Outbound Licenses”** has the meaning set forth in Section 2.9(c).

**“Company Owned Intellectual Property”** means (a) the Intellectual Property that is the subject of Registered Intellectual Property, (b) the Unregistered Intellectual Property, (c) all other Intellectual Property that, for each of (a)-(c), is (i) owned or purported to be owned or held for use exclusively in connection with the Business by a Seller Party or any of its Affiliates or (ii) owned or purported to be owned or held for use by an Acquired Company, (d) any product designs, patterns or prints that are used or have been used in connection with products under the Sperry Brand and (e) rights of publicity, image and likeness of Paul Sperry, in the cases of clauses (d) and (e) solely to the extent owned by an Acquired Company or a Seller Party.

**“Company Owned Intellectual Property Rights”** means (a) the Registered Intellectual Property, (b) any Intellectual Property Rights that may exist in Unregistered Intellectual Property, and (c) all other Intellectual Property Rights in Intellectual Property that, for each of (a)-(c), is (i) owned or purported to be owned or held for use exclusively in connection with the Business by a Seller Party or any of its Affiliates or (ii) owned or purported to be owned or held for use by an Acquired Company.

**“Company Patents”** means each granted and pending Patent that, in each case, is (a) owned or purported to be owned and used exclusively in connection with the Business by a Seller Party or any of its Affiliates or (b) owned or purported to be owned by an Acquired Company.

**“Company Privacy Commitments”** has the meaning set forth in Section 2.10(a).

**“Company Registered Marks”** means each registered Trademark and each pending Trademark application that, in each case, is (a) owned or purported to be owned and used exclusively in connection with the Business by a Seller Party or any of its Affiliates or (b) owned or purported to be owned by an Acquired Company.

**“Contract”** means any written or oral agreement, contract, indenture, lease, instrument, or other agreement, commitment and legal binding arrangement (in each case, including any supplements, appendices, amendments and modifications thereto).

**“Data Protection Obligations”** has the meaning set forth in Section 2.10(a).

**“Data Room”** means the documents relating to the Acquired Companies and the Business available for review by Buyers and their Representatives on and as of the date of this Agreement on the Data Site Project Mayflower virtual data site maintained on behalf of the Seller Parties.

**“Disclosure Schedule”** means the schedules delivered in connection with this Agreement which, in part: (a) set forth the information specifically described in certain of the representations and warranties contained in ARTICLE 2 and (b) set forth exceptions or qualifications to the representations and warranties contained in ARTICLE 2.

**“Domain Name”** has the meaning set forth in the definition of Intellectual Property.

**“Domain Name and Social Media Assignment Agreement”** means the domain name and social media assignment agreement pursuant to which the Seller Parties or their Affiliates assign to Buyer all Domain Names and Social Media owned by such Persons.

**“Encumbrance”** means any charge, claim, community property interest, covenant, condition, equitable interest, mortgage, lien (statutory or other), attachment, levy, easement, option, warrant, purchase right, pledge, security interest, right of first refusal or right of recapture whether voluntarily imposed or arising by operation of Law or otherwise, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

**“Enforceability Exceptions”** has the meaning set forth in Section 2.1(b).

**“Equity Interests”** means, with respect to any Person: (a) any partnership interests; (b) any membership interests or units; (c) any interests in the capital of such Person or interests of capital stock; (d) any other interest or participation that confers on a Person phantom equity, equity appreciation rights, the right to receive a share of the profits and losses of, or distribution of assets of, such Person, or any similar right; (e) any calls, warrants, options or similar rights entitling any Person to purchase or otherwise acquire membership interests or units, interests in the capital of such Person, interests of capital stock, or any other equity securities; (f) any securities convertible into or exercisable or exchangeable for partnership interests, membership interests or units, interests in the capital of such Person, interests of capital stock, or any other equity securities; or (g) any other interest classified as an equity security of such Person.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.

**“Excluded Closing Stores”** mean the stores set forth on Exhibit 8.4.

**“Excluded Liabilities”** means (a) any and all Liabilities arising out of the business, operations, properties, assets or obligations of, or Proceedings involving (i) any Seller Party or Affiliates of any Seller Party (other than the Acquired Companies) prior to, on or following the Closing Date; or (ii) any of the Acquired Companies prior to the Closing Date (including, for the avoidance of doubt, any Liabilities or Proceedings arising on or after the Closing Date to the extent based on facts, circumstances, omissions or other occurrences existing prior to the Closing Date); (b) any and all Liabilities or Proceedings that are the result of a Seller Party’s or any of their Affiliates’ (including the Acquired Companies) default or breach, prior to the Closing Date, of any of the provisions of any Included Contract or Contract enumerated on Schedules 2.9(b)(i), (b)(ii), (c)(i), (c)(ii), (d), (e)(i), and (e)(ii); (c) any and all Liabilities or Proceedings that arise out of or relate to any Contract other than those expressly set forth on Exhibit 8.1 (Included Contracts) or Schedules 2.9(b)(i), (b)(ii), (c)(i), (c)(ii), (d), (e)(i), (e)(ii), and 2.11(a); and (d) any and all Liabilities or Proceedings that arise out of or relate to any Contract listed on Exhibit 1.4(b)(ix), in each case for purposes of the foregoing subsections (a)-(c), including Liabilities or Proceedings of any kind, character or description (whether known or unknown, accrued, absolute, contingent or otherwise); *provided, however* that notwithstanding the foregoing, Excluded Liabilities shall not include executory obligations under any Included Contract or Contract enumerated on Schedules 2.9(b)(i), (b)(ii), (c)(i), (c)(ii), (d), (e)(i), and (e)(ii) (other than obligations that are the result of a Seller Party’s or any of their Affiliates’ (including the Acquired Companies) default or breach of any of the provisions of any such Contract prior to the Closing Date or to the extent such

obligations arise out of facts, circumstances, omissions or other occurrences existing or a Seller Party's or any of their Affiliates' (including any Acquired Company's) operations and/or performance under such Contract prior to the Closing Date).

**"Excluded Stores"** means the existing side-by-side stores and the existing stores located in Howell, MI, Omaha, NE, and River Head, NY.

**"Express Representations"** has the meaning set forth in Section 2.19.

**"Fraud"** means actual intentional common law fraud, as determined under Delaware law, consisting of an act, committed by a Party to this Agreement, with the intent to deceive another Party to this Agreement and requires a false representation of material fact made in ARTICLE 2 or ARTICLE 3 by such Party with actual knowledge that such representation is false, and upon which the other Party reasonably relies. For avoidance of doubt, "Fraud" does not include fraud in the inducement, constructive fraud, unfair dealings or promissory, negligent, reckless or equitable fraud.

**"GAAP"** means United States generally accepted accounting principles, as in effect as at the relevant date of application, consistently applied.

**"Governmental Body"** means any: (a) nation, state, county, city, town, village, district or other governmental jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, commission, board, instrumentality, official or entity and any court or other tribunal); (d) multinational organization or body; (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or Taxing Authority; or (f) organization or association that sponsors, authorizes or conducts any arbitration Proceeding, or any arbitrator or panel of arbitrators, the decisions of which are enforceable in any court of law.

**"Included Contracts"** mean the Contracts listed or described on Exhibit 8.1.

**"Indebtedness"** means, as of any time with respect to any Person, without duplication, the outstanding principal amount of, accrued and unpaid interest on, and other payment obligations (including any premiums, penalties, make-whole payments, termination fees, breakage costs and other fees and expenses that are due upon prepayment of such obligations) arising under, any obligations of such Person consisting of: (a) indebtedness for borrowed money (including any principal, premium, accrued and unpaid interest, related expenses, prepayment penalties, commitment and other fees, reimbursements, indemnities and all other amounts payable in connection therewith); (b) all amounts owing or due under any interest rate, currency, swap or other hedging Contracts in connection with the termination of such Contracts at Closing; (c) all capital lease obligations of such Person that are required to be capitalized in accordance with GAAP excluding the effects of ASC 842; (d) all reimbursement obligations with respect to letters of credit, bank guarantees, bankers' acceptances or other similar instruments, but only to the extent that such letters of credit, bank guarantees, bankers' acceptances or other similar instruments have been drawn upon; (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade payables incurred in the Ordinary Course), all

conditional sale obligations of such Person and all obligations of such Person under any title retention Contract; (f) any other obligation of any Seller Party or Acquired Company or their respective Affiliates for borrowed money pursuant to which the applicable creditor has a security interest in the Interests or the assets of an Acquired Company; (g) Liabilities for unpaid U.S. federal, state, local and foreign Taxes that are required to be accrued as current Liabilities as of the Closing under GAAP; and (h) all guarantees by such Person of any Liabilities of another Person of a type described in the foregoing clauses (a)-(g) (excluding any guaranty by one Acquired Company of the Liabilities of the other Acquired Company).

**“Indemnified Party”** has the meaning set forth in Section 7.4(a).

**“Indemnifying Party”** has the meaning set forth in Section 7.4(a).

**“Intellectual Property”** means any and all worldwide rights in an to all tangible and intangible interests, rights or assets (whether arising under statutory or common law, contract or otherwise), including: (a) ideas, Trade Secrets, know-how (technical, scientific and otherwise), designs, design files, patterns, artwork, drawings, diagrams, inventions and related improvements (whether or not patentable), discoveries, technology, business and technical information (including promotional material), work specifications, databases, data compilations and collections, tools, molds, outsole dies, assembly procedures, methods, processes, practices, formulas, techniques, developments (whether or not patentable), and other confidential and proprietary information, and all industrial designs; (b) trademarks (whether registered, unregistered or pending), service marks, service names, brands, brand names, product names, certification marks, collective marks, logos, trade dress, trade names, corporate names, fictitious names, other names, symbols (including business symbols), slogans and other similar indicia of source or origin, including adaptations, derivations, translations of any of the foregoing and any foreign or international equivalent of any of the foregoing (**“Trademarks”**), together with all goodwill connected or associated with the use thereof and symbolized thereby, and all advertising and marketing collateral (whether tangible or intangible) including any of the foregoing; (c) works of authorship (whether or not copyrightable) and works for hire; (d) internet domain names and internet rights (including the content contained therein, IP addresses and AS numbers) (**“Domain Names”**); (e) social media accounts, tags and handles (including the content contained therein, user names and passwords) (**“Social Media”**); (f) all product images and related assets used in the conduct of any catalog business or business over the internet and/or in any other electronic medium, including any websites, social media sites and accounts; (g) all advertising and marketing materials and collateral (including all physical, digital, or electronic imagery and design files), grading files, samples (including initial development samples, development samples, confirmation samples and heritage product samples), product catalogs, product libraries, product designs, product files, spec files, patterns, artwork, tech packs, tools, molds, and specifications (including tech specifications and fits), vendor and merchandise supplier data and information, tradeshow booths, displays, style archives, design archives and prototypes; (h) customer lists and databases (including all lists of current and past customers), and including any and all information relating in any way to the use of such lists for or by the Business, including (1) Personal Information, such as name, address, telephone number, email address, website and any other database information and (2) customer purchase history at a transaction level (including with respect to dollar amounts, dates, and items purchased, but excluding from the foregoing any credit card numbers or related customer payment source, social security numbers, or financial information prohibited by law); (i) all goodwill, rights, contracts

(including all licenses and sublicenses granted or obtained with respect thereto) and all assets related to the foregoing; and (j) all other types, forms and embodiments of intellectual property or industrial property and assets.

**“Intellectual Property Assets”** has the meaning set forth in Exhibit 8.3.

**“Intellectual Property Rights”** means any and all rights in and to, arising out of (whether arising under statutory or common law, contract or otherwise), or associated with any Intellectual Property in any jurisdiction throughout the world, including: (a) issued and/or granted patents (whether provisional or non-provisional), including certificates of inventions, petty patents, utility patents, design patents, design registrations, industrial design registrations, registered designs and utility models and divisionals, divisions, continuations, continuations-in-part, substitutions, reissues, renewals, confirmations, reexaminations, extensions or restorations or any of the foregoing, and other governmental authority-issued indicia of invention ownership and applications for all of the foregoing (**“Patents”**); (b) registrations, applications for registration, and renewals of, any Trademarks and all common law rights in Trademarks, together with the goodwill connected with the use of and symbolized by, any of the foregoing; (c) registrations, applications for registration, and renewals of copyrights for works of authorship and all common law copyrights for works of authorship, moral rights, design rights, rights existing under any copyright laws and rights to prepare derivative works; (d) all registrations and other proprietary rights in Domain Names and Social Media; (e) all proprietary rights in Trade Secrets, know-how, inventions (whether or not patentable), discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein; (f) rights of publicity, image and likeness; (g) the right to sue for infringement and other remedies against past, present and future infringements and misappropriations of any of the foregoing; and (h) all rights to the enforcement and protection of interests in the foregoing under the laws of all jurisdictions.

**“Interests”** has the meaning set forth in Section 1.1.

**“Interests Assignment”** means instruments of assignment of membership interests to be entered into by Saucony and Buyer effecting the transfer of the Interests to Buyer in the form attached as Exhibit 8.2.

**“IP Title Defect Correction Actions”** has the meaning set forth in Section 4.10.

**“IP Title Defects”** has the meaning set forth in Section 4.10.

**“IRS”** means the United States Internal Revenue Service.

**“Keds Blue Label License Agreement”** means that certain Amended and Restated Keds License Agreement, dated January 9, 2023, by and among Keds, LLC, SR Holdings, and Sperry Top-Sider, LLC.

**“Keds Purchase Agreement”** means that certain Asset Purchase Agreement, dated as of February 7, 2023, by and among Vincent Camuto LLC, a Connecticut limited liability company, DBI Brands Management LLC, an Ohio limited liability company, Wolverine, Keds, LLC, a



Massachusetts limited liability company, SR Holdings, Wolverine Outdoors, Inc., a Michigan corporation, and Wolverine Distribution, Inc., a Delaware corporation.

**“Law”** means any federal, state, foreign, local, municipal or other law (including common law), ordinance, statute, code, federal, state, foreign, local, municipal or other regulation, rule, order or treaty enacted, adopted, implemented, issued or promulgated by any Governmental Body.

**“Liability”** means any indebtedness, liability, claim, demand, Adverse Consequence, commitment, cost, expense, deficiency, guaranty, endorsement, Taxes, obligation or other liabilities of a Person (whether primary or secondary, direct or indirect, known or unknown, matured or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due), including those arising under any Law or Proceeding (including, for the avoidance of doubt, known or unknown) and those arising under any Contract, and including all costs and expenses relating thereto.

**“Marketing and Design Agreements”** means model, photographer, influencer, talent, content creation and third party contributor Contracts, and all other marketing, promotion, design and advertising agreements.

**“Material Adverse Effect”** means any event, circumstance, state of fact, change, development, effect or condition that, individually or in the aggregate: (a) is, or is reasonably likely to be, materially adverse to the business, financial condition, assets, liabilities, properties, or results of operations of the Business; *provided, however*, that none of the following changes will constitute, or will be considered in determining whether there has occurred, and no event, circumstance, change, effect or condition resulting from or arising out of any of the following will constitute, a Material Adverse Effect: (i) the announcement of the execution of this Agreement or another Transaction Document or the intended consummation of the transactions contemplated herein or therein in accordance with their respective terms (including any threatened or actual impact on any relationship with any customer, vendor, supplier, distributor, landlord or employee of the Business); (ii) the failure, in and of itself, of the Business to meet any estimate of revenues, earnings or other financial projections, performance measures or operating statistics (*provided* that the facts and circumstances underlying any such failure may be considered in determining whether there has occurred a Material Adverse Effect); (iii) any condition or change in economic conditions generally affecting the economy or the industries in which the Business operates; (iv) natural or manmade disaster or other acts of God, or any national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency, war or the occurrence of any military or terrorist attack on the United States or any of its territories, possessions, offices or military installations; (v) any condition affecting financial, banking or securities markets generally (including any disruption thereof, any decline in the price of any security or market index and any change in interest rates, commodity prices or foreign exchange rates); (vi) any change in any Law, Orders or GAAP; (vii) Certain Events or any other public outbreak of disease or virus (including coronavirus) or other public health conditions, pandemics or emergencies; and (viii) the taking of any action required or expressly permitted by this Agreement or the other Transaction Documents, including the completion of the transactions contemplated hereby and thereby in accordance with their respective terms, except, with respect to a matter described in any of the foregoing clauses (a)(iii)-(vi) of this definition, to the extent such matter has a disproportionate adverse effect on the

Acquired Companies relative to other comparable businesses operating in the same industries in which the Acquired Companies operate; or (b) prevents, or is reasonably likely to prevent, any Seller Party from consummating, or materially impairs or delays, or is reasonably likely to materially impair or delay, the ability of any Seller Party to consummate, the transactions contemplated by this Agreement or another Transaction Document.

“**Material Contracts**” has the meaning set forth in Section 2.11(a).

“**Mini-Basket**” has the meaning set forth in Section 7.3(a).

“**Non-Recourse Party**” means, with respect to a Party to this Agreement, any of such Party’s former, current and future direct or indirect equity holders, controlling Persons, directors, officers, employees, legal counsel, financial advisors, agents, Representatives, Affiliates, members, managers, general or limited partners, successors or assignees (or any former, current or future equity holder, controlling Person, director, officer, employee, legal counsel, financial advisors, agent, Representative, Affiliate, member, manager, general or limited partner, successor or assignee of any of the foregoing).

“**Order**” means any award, decree, stipulation, decision, injunction, judgment, order, ruling, or verdict entered, issued, made or rendered by any Governmental Body.

“**Ordinary Course**” means in accordance with the ordinary and customary operations of the applicable Acquired Company consistent with its past practices, as may be modified by Law or Certain Events.

“**Organizational Documents**” means the organizational documents of a non-natural Person, including, as applicable, the charter, or certificate of incorporation, bylaws, articles of organization or certificate of formation, operating agreement, trust agreement or similar governing documents, as amended.

“**Other Intellectual Property**” means third-party Intellectual Property being used in the Business under license or other right.

“**Other IP Purchased Assets**” means the assets of the Seller Parties or their Affiliates (other than the Acquired Companies) set forth on Exhibit 8.3.

“**Party**” and “**Parties**” have the meanings set forth in the Preamble.

“**Patents**” has the meaning set forth in the definition of Intellectual Property Rights.

“**Pending Proposition 65 Matter**” means that certain matter identified as Center for Environmental Health v. Bali Leathers, Inc. and Center for Environmental Health v. Tommy Bahama Group, Inc., *et al.*, filed on August 2, 2019 and September 12, 2019, respectively, in the Superior Court of the State of California, County of Alameda, Lead Case No. RG 190029736 (Consolidated with Case No. RG 19-034870) and the Consent Judgment by and among the Center for Environmental Health, Wolverine, Sperry Top-Sider, LLC and certain of Wolverine’s other Affiliates, as “Settling Defendants” thereunder, executed by Wolverine, Sperry Top-Sider, LLC

and the other Affiliates party thereto on November 2, 2023, or any matter arising therefrom or related thereto.

**“Permitted Encumbrances”** means: (a) Encumbrances for Taxes not yet due and payable or that are being contested in good faith by appropriate Proceedings; (b) imperfections of title and other similar Encumbrances that do not and would not reasonably be likely to materially detract from the value of the asset or property subject thereto or materially impair the continued use and/or occupancy of such asset or property in connection with the operation of an Acquired Company; (c) Encumbrances arising by operation of Law in the Ordinary Course, such as mechanics’ Encumbrances, materialmens’ Encumbrances, carriers’ Encumbrances, warehousemens’ Encumbrances and similar Encumbrances; *provided* that the underlying obligations are not delinquent or are being disputed in good faith; (d) pledges or deposits that secure the performance of tenders, statutory obligations, bonds, bids, leases, Contracts and similar obligations; (e) non- exclusive licenses for de-minimis uses of Intellectual Property granted in the Ordinary Course; and (f) Encumbrances to be discharged at Closing.

**“Person”** means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, Governmental Body or other entity.

**“Personal Information”** means data that identifies or is reasonably capable of being used, directly or indirectly, to identify an individual or household, or is otherwise considered “personal information,” “personal data,” or a similar term under applicable Laws.

**“Powers of Attorney”** means (a) the power of attorney, dated as of the date hereof, by and among the Seller Parties and Sperry Top-Sider and (b) the power of attorney, dated as of the date hereof, by and among the Seller Parties and SR Holdings.

**“Pre-Closing Contribution”** has the meaning set forth in Section 2.5(b).

**“Pre-Closing Tax Period”** means any taxable period ending on or prior to the Closing Date.

**“Privacy Law”** has the meaning set forth in Section 2.10(a).

**“Proceeding”** means any action, arbitration, known audit, known examination, known investigation, known review, hearing, known claim, demand, litigation, charge, audit, notice of violation, citation, summons, subpoena or investigation of any nature, proceeding or lawsuit (whether civil, criminal, administrative or regulatory, at law or in equity or other proceeding) including any of the foregoing commenced, brought, conducted or heard by or before any Governmental Body.

**“Processing”** (and cognates thereof) means, with respect to Personal Information, the receipt, access, collection, sharing, selling, disclosing, transferring, renting, retrieval, consultation, analysis, combination, accessing, storage, use, security, transfer, restriction, destruction, or other processing or operations or set of operations, whether or not by automated means.

**“Proposition 65”** has the meaning set forth in Section 2.8.

**“Purchase Price”** has the meaning set forth in Section 1.2.

**“Registered Intellectual Property”** means (a) Company Patents, (b) Company Registered Marks, (c) Company Copyrights, and (d) all registered Domain Names and Social Media (i) owned or purported to be owned and used exclusively in connection with the Business by a Seller Party or any of its Affiliates or (ii) owned or purported to be owned by an Acquired Company.

**“Released Claims”** has the meaning set forth in Section 4.5(a).

**“Representative”** means, with respect to a particular Person, any director, officer, manager, managing member, employee, agent, consultant, advisor or other representative of such Person, including legal counsel, accountants and financial advisors.

**“Retail Store License Agreement”** means the retail store license agreement, dated the date hereof, by and among Wolverine and certain of its Affiliates, on the one hand, and Buyer and the other hand, with respect to the Retained Sell-Off Products in Excluded Stores or Excluded Closing Stores.

**“Retained Sell-Off Products”** means (a) approximately 2,000 SKUs of Sperry-branded products that are located in, or which are destined for sale in, the European Union (b) approximately 46,000 SKUs of Sperry-branded products that are located in, or which are destined for sale in, or Mexico and (c) Sperry-branded products located at an Excluded Store or an Excluded Closing Store.

**“Royalty Dispute”** has the meaning set forth in Section 4.11.

**“Royalty Payment”** has the meaning set forth in Section 4.11.

**“Royalty Straddle Period”** has the meaning set forth in Section 4.11.

**“Safety Requirements”** has the meaning set forth in Section 2.16.

**“Saucony”** has the meaning set forth in the Preamble.

**“Securities Act”** means the Securities Act of 1933, as amended.

**“Seller Financial Advisor”** has the meaning set forth in Section 2.14.

**“Seller Fundamental Representations”** means the representations and warranties set forth in Section 2.1 (Organization, Qualification and Power; Authorization), Section 2.2 (Capitalization; Title), Section 2.3(a) (Noncontravention), Sections 2.5(a) and (d) (Title to Assets), Section 2.6 (Tax Matters), Sections 2.7(a)-(c) and (f)-(g) (Absence of Changes), Section 2.9(a), the first three sentences of Section 2.9(f), clause (i) of Section 2.9(g), and clause (ii) of Section 2.9(g) to the extent arising from use or other exploitation of Company Owned Intellectual Property and Section 2.14 (Broker’s Fees).

**“Seller Indemnified Parties”** has the meaning set forth in Section 7.2(b).

**“Seller Parties’ Knowledge”** means the actual knowledge, after reasonable inquiry, of Katherine Cousins, Fabi Avaralo, James Zwiers, Ethan Brackley and Mike Kochanny.

**“Seller Parties’ Straddle Period License Payments”** has the meaning set forth in Section 4.11

**“Seller Party”** and **“Seller Parties”** have the meaning set forth in the Preamble.

**“Seller Related Persons”** means each Seller Party (other than the Acquired Companies), their respective Affiliates and Representatives, and former, current or future successors and assigns.

**“Seller Released Persons”** has the meaning set forth in Section 4.5(b).

**“Seller Tax Claims”** has the meaning set forth in Section 4.4(c).

**“Seller Transaction Expenses”** means, in each case, to the extent not paid as of Closing, all fees, costs and expenses incurred by or on behalf of an Acquired Company in connection with this Agreement or the consummation of the transactions contemplated hereby (in each case, to the extent payable or owed by an Acquired Company, and whether invoiced before or after Closing), including: (a) brokers’, finders’ or investment bankers’ fees owing by an Acquired Company in connection with the negotiation, preparation, execution and consummation of the transactions contemplated hereby, including those of the Seller Financial Advisors; or (b) fees and expenses of legal counsel or other professional advisors incurred by or on behalf of an Acquired Company in connection with consummation of the transactions contemplated hereby. All Seller Transaction Expenses will be the responsibility of Wolverine.

**“Shared IP”** means (a) any and all common law Trademarks that are used or have been used as style names; and (b) all other unregistered Intellectual Property that is not exclusively used in connection with the Business, in each case of (a) and (b), as used on or in connection with products under the Sperry Brand and on or in connection with products sold by other Wolverine brands, and for which there is documentation of such historical use. Notwithstanding the foregoing, the Shared IP does not include: (i) the Wolverine name; (ii) the name of any other Wolverine brand or any related logos or marks; (iii) the Sperry Brand or any Trademarks confusingly similar thereto; or (iv) any Acquired Company IP.

**“Shared IP License”** has the meaning set forth in Section 4.8.

**“Shrink-Wrap and Enterprise License”** means (a) any “shrink-wrap” (or the functional equivalent) license for off-the-shelf Software (and services relating thereto, including cloud services, maintenance services and the like) or other Software commercially available for license or purchase, in each case with an aggregate annual value not exceeding \$25,000, and (b) any Intellectual Property license from a third-party supplier that is entered into by a Seller Party or its Affiliates for use both in connection with the Sperry Brand and in connection with other Wolverine brands.

**“Social Media”** has the meaning set forth in the definition of Intellectual Property.

**“Software”** means (a) all computer software, including source code, executable code, firmware, systems, tools, data, databases and other collections of data and all documentation relating thereto, (b) Internet and intranet websites, databases and compilations, including data and collections of data, whether machine-readable or otherwise, (c) development and design tools, library functions and compilers, (d) technology supporting websites, and the contents and audiovisual displays of websites, and (e) media, documentation and other works of authorship, including user manuals and training materials, relating to or embodying any of the foregoing or on which any of the foregoing is recorded.

**“Sperry Top-Sider”** has the meaning set forth in the second paragraph of this Agreement.

**“Tax”** or **“Taxes”** means any means any and all (a) domestic or foreign, federal, state, or local taxes, charges, fees, levies, imposts, escheat for unclaimed property, duties and governmental fees, or other like assessments or charges of any kind whatsoever, including income taxes (whether imposed on or measured by net income, gross income, income as specially defined, earnings, profits, or selected items of income, earnings, or profits), capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, value added taxes, goods and services taxes, transfer taxes, franchise taxes, license taxes, withholding taxes or other withholding obligations, payroll taxes, employment taxes, excise taxes, severance taxes, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, ad valorem taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, and customs duties, (b) interest, penalties, fines, additions to tax, or additional amounts imposed by any Taxing Authority in connection with (i) any item described in clause (a) or (ii) the failure to comply with any requirement imposed with respect to any Tax Returns, (c) any liability in respect of any items described in clause (a) or clause (b) that is incurred by reason of being (or ceasing to be) a member of an affiliated, consolidated, combined, unitary, or aggregate group for any Taxable period, and (d) liabilities in respect of any items described in clause (a) or clause (b) payable by reason of Contract, assumption, transferee liability, operation of law, or otherwise.

**“Tax Claims”** has the meaning set forth in Section 4.4(c).

**“Tax Indemnity”** has the meaning set forth in Section 4.4(f).

**“Tax Return”** means any return (including any information return), report, statement, schedule, notice, form or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Law relating to any Tax.

**“Taxing Authority”** means any federal, state, local or foreign Governmental Body or authority responsible for the imposition or collection of any Tax.

**“Third-Party Proceeding”** has the meaning set forth in Section 7.4(a).

**“Trade Secrets”** means trade secrets and confidential information, including all source code, documentation, know how, processes, technology, formulae, customer lists, business and marketing plans, inventions (whether or not patentable) and marketing information.

“**Trademarks**” has the meaning set forth in the definition of Intellectual Property.

“**Transaction Documents**” means this Agreement, the Unregistered IP Assignment, the Retail Store License Agreement and the Domain Name and Social Media Assignment Agreement.

“**Transfer Taxes**” has the meaning set forth in Section 4.4(d).

“**Unregistered Intellectual Property**” means (a) unregistered Trademarks, (b) unregistered works of authorship, and (c) Trade Secrets that, for each of (a)-(c), is (i) owned or purported to be owned by a Seller Party or any of its Affiliates and used exclusively in connection with the Business or (ii) owned or purported to be owned by an Acquired Company, and excluding Shared IP.

“**Unregistered IP Assignment**” means an Assignment of Intellectual Property Agreement to be entered into as of immediately prior to Closing pursuant to which the Seller Parties or their Affiliates assign to SR Holdings, LLC all Unregistered Intellectual Property owned by such Persons, in a form reasonably satisfactory to Buyer.

“**Wolverine**” has the meaning set forth in the Preamble.

## **ARTICLE 9**

### **GENERAL**

Section 9.1 **Binding Effect; Benefits; Assignment**. The terms of this Agreement and the other Transaction Documents executed or to be executed by a Party will be binding upon, inure to the benefit of and be enforceable by and against such Party and its successors and authorized assigns. Except as otherwise expressly provided in this Agreement or another Transaction Document, this Agreement and the other Transaction Documents are for the exclusive benefit of the Parties thereto and (as applicable) their respective successors and authorized assigns, and nothing in this Agreement or such other Transaction Document, express or implied, is intended to confer upon any other Person any rights or remedies under or by reason of this Agreement or such other Transaction Document; *provided that*, notwithstanding the foregoing (a) the provisions of Section 4.5 are intended for the benefit of, and will be enforceable by, the Acquired Company Released Persons and the Seller Released Persons; and (b) the provisions of ARTICLE 7 are intended for the benefit of, and will be enforceable by, each Seller Related Person, Buyer Indemnified Party and Seller Indemnified Party. No Party may assign any of its rights or obligations under this Agreement or another Transaction Document to any other Person without the prior written consent of the other Party to this Agreement or the other Parties to such other Transaction Documents, as applicable, and any such attempted or purported assignment will be null and void. No Party may assign any of its rights or obligations under this Agreement or another Transaction Document to any other Person without the prior written consent of the other Party to this Agreement or the other Parties to such other Transaction Documents, as applicable, and any such attempted or purported assignment will be null and void; *provided, however*, that Buyer may, without consent, assign all or part of its rights under this Agreement or other Transaction Document to one or more of its Affiliates, which assignment will not relieve Buyer of any of its obligations under this Agreement or such other Transaction Document.

Section 9.2 **Entire Agreement**. This Agreement, the exhibits and schedules to this Agreement (including the Disclosure Schedule) and the other Transaction Documents set forth the entire agreement and understanding of the Parties in respect of the transactions contemplated by this Agreement or other Transaction Documents, as applicable, and supersede all prior Contracts, letters of intent, arrangements and understandings relating to the subject matter hereof and thereof. No representation, promise, inducement or statement of intention has been made by any Party in connection with the transactions contemplated by this Agreement or other Transaction Document that is not embodied in this Agreement or such other Transaction Document, as applicable, and no Party will be bound by or liable for any alleged representation, promise, inducement or statement of intention not so embodied.

Section 9.3 **Amendment and Waiver**. This Agreement may be amended, modified, superseded or canceled (other than termination pursuant to ARTICLE 6), and any of its provisions may be waived, only by a written instrument executed by the Parties or, in the case of a waiver, by the Party waiving compliance. The failure of a Party at any time to require performance of any provision of this Agreement will in no manner affect the right of that Party at a later time to enforce such provision. No waiver by a Party of any provision of this Agreement or the breach of any provision of this Agreement, in any one or more instances, will be deemed to be or construed as a further or continuing waiver of such provision or breach, or any other provision of this Agreement.

Section 9.4 **Governing Law; Exclusive Jurisdiction**. This Agreement and any dispute about which this Agreement is a subject will be governed by and construed in accordance with the applicable Laws of the State of Delaware, without regard to choice of law principles of any jurisdiction. The Parties agree not to bring any Proceeding related to or arising out of this Agreement in any court other than the state or federal courts located in Wilmington, Delaware.

Section 9.5 **WAIVER OF TRIAL BY JURY**. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND THEREFORE EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. EACH PARTY FURTHER AGREES AND CONSENTS THAT ANY SUCH PROCEEDING WILL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.



Section 9.6 **Notices**. All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement must be in writing and will be deemed to have been duly given: (a) on the day of delivery, if delivered by hand; (b) on the day of delivery, if sent by electronic mail (with confirmation of receipt) at or prior to 5:00 p.m. Eastern time on a Business Day; (c) on the first Business Day following delivery, if sent by electronic mail on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day; (d) on the first Business Day following deposit with a nationally recognized overnight delivery service; or (e) upon the earlier of actual receipt and the fifth Business Day following first class mailing, with first class, postage prepaid:

If to Buyer:

c/o Authentic Brands Group  
Attn: Jay Dubiner  
1411 Broadway, 21st Floor  
New York, New York 10018  
Email: [REDACTED]

with a copy to (which will not constitute notice):

Katten Muchin Rosenman LLP  
Attn: Karen Ash, Esq and Ilana Lubin, Esq.  
50 Rockefeller Plaza  
New York, New York 10020  
Email: [REDACTED]; [REDACTED]

If to any Seller Party:

Wolverine World Wide, Inc.  
Attn: James D. Zwiers, Executive Vice President, President of Global Operations Group  
9341 Courtland Drive NE  
Rockford, Michigan 49351  
Email: [REDACTED]

with a copy to (which will not constitute notice):

Wolverine World Wide, Inc.  
Attn: Reginald M. Rasch, Senior Vice President, General Counsel and Secretary *and*  
Jennifer J. Miller, VP and Associate General Counsel  
9341 Courtland Drive, NE  
Rockford, Michigan 49351  
Email: [REDACTED]; [REDACTED]

Honigman LLP  
Attn: Tracy T. Larsen  
Jordan K. Schwartz

200 Ottawa Avenue, NW, Suite 700  
Grand Rapids, Michigan 49503-2308  
Email: [REDACTED]

A Party may change its address or e-mail address by prior written notice to the other Party provided as set forth in this Section 9.6.

Section 9.7 **Counterparts**. This Agreement may be executed by original signature or by digital or other electronic signature (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com) or [www.simplyagree.com](http://www.simplyagree.com)) and in one or more counterparts, each of which will be deemed an original and together will constitute one and the same instrument.

Section 9.8 **Expenses**. Except as otherwise expressly provided in this Agreement, the Seller Parties, on one hand, and Buyer, on the other hand, will each pay all of their own expenses, costs and fees (including legal and other professional fees and costs) incurred in connection with the negotiation, preparation, execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby (whether the transactions contemplated by this Agreement are consummated or not).

Section 9.9 **Headings; Construction**. The headings of the articles, sections and paragraphs in this Agreement have been inserted for convenience of reference only and will not restrict or otherwise modify any of the provisions of this Agreement. Unless otherwise expressly provided, the words "including," "include" or "includes," or other similar words, whenever used in this Agreement will be deemed to be immediately followed by the words "without limitation." The words "herein," "hereby," "hereof," "hereunder" and words of similar import refer to this Agreement as a whole (including any exhibits and schedules hereto) and not merely to any particular section, subsection or paragraph contained in this Agreement. The word "extent" in the phrase "to the extent" will mean the degree to which a subject or other thing extends, and such phrase will not mean simply "if." The use of "or" is not an exclusive concept and may include both of the matters separated by the word "or." The word "shall" or "will" denotes a directive and obligation, not an option. All references in this Agreement to Sections, Schedules or Exhibits are references to Sections of, and Exhibits and Schedules to, this Agreement, unless the context otherwise requires. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. Neither this Agreement nor another Transaction Document (nor any uncertainty or ambiguity herein or therein) will be construed against a Party under any rule of construction or otherwise. No Party will be considered the draftsman of this Agreement or any other Transaction Document. The provisions of this Agreement have been negotiated by and chosen by the Parties to express their mutual intent, and no rule of strict construction will be applied against a Party. All references to dollars or "\$" in this Agreement or another Transaction Document are to U.S. Dollars. References to a number of days refer to calendar days unless Business Days are specified. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is referenced in beginning the calculation of such period will be excluded. Except as otherwise specified, whenever any action must be taken on or by a day that

is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day. Any accounting term not otherwise defined will have the meaning prescribed by GAAP.

Section 9.10 **Partial Invalidity.** Whenever possible, each provision of this Agreement and each other Transaction Document will be interpreted in such manner as to be effective and valid under applicable Law, but in case any one or more of the provisions contained in this Agreement or other Transaction Document is, for any reason, held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement or other Transaction Document, as applicable, which will otherwise remain in full force and effect. Upon any such determination that any provision of this Agreement or other Transaction Document is invalid, illegal or unenforceable, the Parties will negotiate in good faith to modify this Agreement or other Transaction Document, as applicable, by replacing the invalid, illegal or unenforceable provisions with legal, valid and enforceable provisions the effect of which comes as close as practicable to the original intent of the Parties in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

Section 9.11 **Certain Disclosure Matters.** The Disclosure Schedule contains a series of schedules which, in part, set forth information specifically referred to in ARTICLE 2 and, in part, provide exceptions or qualifications to the representations and warranties contained in ARTICLE 2 (the latter schedules are not specifically referred to in ARTICLE 2). Neither the specification of any dollar amount in ARTICLE 2 nor the disclosure of a document or information in a schedule comprising part of the Disclosure Schedule is intended, or will be construed or offered in any dispute between the Parties as evidence of, the materiality of such dollar amount, document or information, nor does it establish any standard of materiality upon which to judge the inclusion or omission of any similar documents or information in that schedule or any other schedule comprising the Disclosure Schedule. The information contained in this Agreement and the Disclosure Schedule is disclosed solely for the purposes of this Agreement, and no information contained herein or therein will be deemed to be an admission to any third Person of any matter whatsoever, including of any violation of Law or breach of any Contract. An exception or qualification set forth in the Disclosure Schedule with respect to a particular representation or warranty will be deemed to be an exception or qualification with respect to all other applicable representations and warranties to the extent the description of the facts regarding the event, item or matter disclosed is adequate on its face so as to make reasonably clear that such exception or qualification is applicable to such other representations and warranties, whether or not such exception or qualification is so numbered or such other representations and warranties expressly refer to a schedule comprising the Disclosure Schedule. Matters reflected in the Disclosure Schedule are not necessarily limited to matters required by the Agreement to be reflected in the Disclosure Schedule, which additional matters are included for information purposes only.

Section 9.12 **Specific Performance.** The Parties agree that irreparable damage may occur to the non-breaching Party if any provision of this Agreement were not performed by a Party in accordance with the terms hereof (including failing to take such actions as are required of them to consummate the transactions contemplated hereby). Each Party agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that the other Party has an adequate remedy at Law or an award of specific performance is not an appropriate remedy for any reason at Law or equity. A Party seeking an injunction or injunctions

to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement will not be required to provide any bond or other security in connection with any such order or injunction.

Section 9.13 **Representation by Retained Firms; Privileged Communications.** In the event of any dispute following Closing between Buyer or any of its Affiliates (including post-Closing with respect to Buyer, the Acquired Companies), on the one hand, and one or more Seller Parties or any of their respective Affiliates, on the other hand, Buyer and the Acquired Companies hereby consent to the representation by Honigman LLP and Warner, Norcross + Judd LLP (each a “**Retained Firm**”) of any or all of such Persons notwithstanding the prior representation of the Acquired Companies by such Retained Firms. Buyer and its Affiliates, including post-Closing the Acquired Companies, hereby waive any right to object thereto on the basis of any conflict of interest arising from such representation or similar claim. Buyer acknowledges and agrees that as to all pre-Closing communications between or among any Seller Parties and their respective employees, agents and Affiliates, on one hand, and any Retained Firm and any other legal counsel retained by the Seller Parties, on the other hand, relating to this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby, the attorney-client privilege, the expectation of client confidence and all other rights to any evidentiary or other privilege belong to and may be controlled by Wolverine, and will not pass to or be claimed by Buyer or any of its Affiliates (including, following Closing, with respect to either Acquired Company).

Section 9.14 **No Recourse.** Notwithstanding any provision of this Agreement or otherwise, the Parties to this Agreement agree on their own behalf and on behalf of their Affiliates that no Non-Recourse Party of a Party to this Agreement will have any Liability relating to this Agreement, any other Transaction Document or other transactions contemplated hereby or thereby except to the extent expressly agreed to in writing by such Non-Recourse Party.

*[SIGNATURE PAGE FOLLOWS]*

The Parties have executed this Purchase Agreement as of the date stated in the first paragraph hereof.

**BUYER:**

ABG INTERMEDIATE HOLDINGS 2 LLC

By: /s/ Jay Dubiner  
Name: Jay Dubiner  
Title: Chief Legal Officer

**SELLER PARTIES:**

WOLVERINE WORLD WIDE, INC.

By: \_\_\_\_\_  
Name:  
Title: SAUCONY, INC.

By: \_\_\_\_\_  
Name:  
Title:

**ACQUIRED COMPANIES:**

SPERRY TOP-SIDER, LLC

By: \_\_\_\_\_  
Name:  
Title:

SR HOLDINGS, LLC

By: \_\_\_\_\_  
Name:  
Title:

*[Signature Page to Purchase Agreement]*

**SELLER PARTIES:**

WOLVERINE WORLD WIDE, INC.

By: /s/ James D. Zwiers  
Name: James D. Zwiers  
Title: Executive Vice President and President of Global  
Operations

SAUCONY, INC.

By: \_\_\_\_\_  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

**ACQUIRED COMPANIES:**

SPERRY TOP-SIDER, LLC

By: \_\_\_\_\_  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

SR HOLDINGS, LLC

By: \_\_\_\_\_  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

*[Signature Page to Purchase Agreement (continued)]*

**SELLER PARTIES:**

WOLVERINE WORLD WIDE, INC.

By: \_\_\_\_\_  
Name: James D. Zwiers  
Title: Executive Vice President and President of Global  
Operations

SAUCONY, INC.

By: /s/ Jennifer J. Miller  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

**ACQUIRED COMPANIES:**

SPERRY TOP-SIDER, LLC

By: /s/ Jennifer J. Miller  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

SR HOLDINGS, LLC

By: /s/ Jennifer J. Miller  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

*[Signature Page to Purchase Agreement (continued)]*

**EXHIBIT 1.4(B)(IX)**  
**TERMINATED CONTRACTS**

None.



**EXHIBIT 4.4(e)**  
**PURCHASE PRICE ALLOCATION**

The Purchase Price will be allocated among Class VI and Class VII assets and among no other asset classes.

## **EXHIBIT 8.1**

### **INCLUDED CONTRACTS**

#### **Distribution Agreements**

1. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear And Accessories), effective as of January 1, 2023, by and between Wolverine and Pacifica Elements Co., Ltd.
2. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear), dated effective as of January 1, 2022, by and between Wolverine and Mahadevan Group.
3. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear And Accessories), effective as of January 1, 2022, by and between Wolverine and Nevada Sport Ltd.
4. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear), effective as of January 1, 2022, by and between Wolverine and Shirnat Fashion International.
5. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear), effective as of June 1, 2021, by and between Wolverine and SIA Baltic Street.
6. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear), effective as of January 1, 2021, by and between Wolverine and Sjoklint Agenturer AB.
7. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear), effective as of January 1, 2021, as amended by that Amendment Number 1 To Sperry Top- Sider® Footwear Distribution Agreement, dated December 13, 2021, as further amended by Amendment Number 2 To Sperry Top-Sider® Footwear Distribution Agreement, dated April 26, 2023, by and between Wolverine and So Simple Distribution SPA.
8. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear And Accessories), effective as of January 1, 2022, by and between Wolverine and Sports Inc, (PVT) Limited.
9. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear), dated effective as of January 1, 2023, by and between Wolverine and Sprint Distribution Pty Ltd.
10. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear), effective as of October 1, 2022, as amended by that Amendment Number 1 To Sperry Top- Sider® Footwear Distribution Agreement, dated March 20, 2023, by and between Wolverine and Sunglass Palace PVT LTD.
11. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear), effective as of January 1, 2022, by and between Wolverine and VETO S.A.
12. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear, Apparel, and Accessories), effective as of January 1, 2022, by and between Wolverine and Club Shoes Corp.

13. Wolverine World Wide, Inc. Non-Exclusive Distribution Agreement (Sperry Top-Sider® Footwear), effective as of May 1, 2023, by and between Wolverine and Footsure Western Limited.
14. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear, Apparel, and Accessories), effective as of January 1, 2023, by and between Wolverine and Iconic Advantage International Inc. \*
15. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear), effective as of January 1, 2024, by and between Wolverine and Vintage Sports Pte Ltd.
16. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear), effective as of January 1, 2015, by and between Wolverine and ABC Mart, Inc. The term of this agreement expired December 31, 2017, and the parties have been operating under its terms since the expiration date during ongoing negotiations regarding go-forward relationship.
17. Wolverine World Wide, Inc. Distribution Agreement (Sperry Top-Sider® Footwear and Apparel), effective as of January 1, 2016, by and between Wolverine and ABC-Mart Korea, Inc. The term of this agreement expired December 31, 2020, and the parties have been operating under its terms since the expiration date during ongoing negotiations regarding go-forward relationship.

### **Collaboration Agreements**

1. Collaboration Agreement dated as of July 25, 2023 by and between Wolverine World Wide, Inc. and Beams Co., Ltd.\*
2. Collaboration Agreement dated as of August 22, 2022, by and between Wolverine World Wide, Inc. and Malbon Golf, LLC.\*
3. Collaboration Agreement dated as of August 26, 2022, by and between Wolverine World Wide, Inc. and Blackstock and Weber, Inc.\*
4. Collaboration Agreement dated as of May 2023, by and between Wolverine World Wide, Inc. and Future PLC, d/b/a Who What Wear. \*
5. Collaboration Agreement dated as of May 19, 2023, by and between Wolverine World Wide, Inc. and Concepts International LLC. \*
6. Collaboration Agreement dated as of December 18, 2023, by and between Wolverine World Wide, Inc. and Todd Snyder, Inc.\*
7. Collaboration Agreement dated as of August 2023, by and between Wolverine World Wide, Inc. and Fresh Rags, Inc.\*
8. Collaboration Agreement dated November 2023, by and between Wolverine World Wide, Inc. and Palmes ApS.\*

\* Pursuant to that certain Transition Services Agreement, dated as of the date hereof, by and between Aldo and Wolverine, Aldo is responsible for payments due under the

Collaboration Agreements through the term thereof, and the Acquired Companies are not responsible for such payments.

**Marketing and Design Agreements**

1. Sperry Model Photoshoot Agreement, effective as of October 25, 2023, by and between Wolverine and Nancy Ortiz, on behalf of Nathalie Darcas.
2. Sperry Model Photoshoot Agreement, effective as of October 24, 2023, by and between Wolverine and Rachel Ly.
3. Sperry Model Photoshoot Agreement, effective as of October 25, 2023, by and between Wolverine and Sergio Garcia, on behalf of Mohamed Ouedraogo.
4. Sperry Model Photoshoot Agreement, effective as of October 20, 2023, by and between Wolverine and Spartan Daggenhurst.
5. Sperry Model Photoshoot Agreement, effective as of August 15, 2023, by and between Wolverine and Paige Watkins.
6. Sperry Model Photoshoot Agreement, effective as of August 15, 2023, by and between Wolverine and Hechan Da Silva.
7. Sperry Model Photoshoot Agreement, effective as of April 28, 2023, by and between Wolverine and Michael Lockley.
8. Sperry Model Photoshoot Agreement, effective as of April 11, 2023, by and between Wolverine and Kate Bunn, on behalf of Rachel Ly.
9. Sperry Model Photoshoot Agreement, effective as of April 12, 2023, by and between Wolverine and Sara Smith.
10. Sperry Model Photoshoot Agreement, effective as of April 10, 2023, by and between Wolverine and Alex Ordonez.

**EXHIBIT 8.2**  
**INTERESTS ASSIGNMENT**

(See attached)

**ASSIGNMENT OF MEMBERSHIP INTERESTS (SPERRY TOP-SIDER, LLC)**

**January 10, 2024**

For good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, Saucony, Inc., a Massachusetts corporation (the “Assignor”), hereby sells, conveys, assigns, transfers and delivers unto ABG Intermediate Holdings 2 LLC, a Delaware limited liability company (“Buyer”), all of the Assignor’s right, title and interest in and to an aggregate of One Hundred Percent (100%) of the membership interests (the “Interests”) of Sperry Top-Sider, LLC, a Massachusetts limited liability company (the “Company”), standing in the Assignor’s name on the books of the Company. Capitalized terms used but not defined herein shall have the meaning attributed to them in the Purchase Agreement (as defined below). The Assignor hereby constitutes and appoints any officer of the Company as the Assignor’s true and lawful attorney-in-fact, with full power of substitution, to transfer the Interests on the books of the Company in accordance with this Assignment.

This Assignment of Membership Interests (“Assignment”) is made solely to effect the transfer and assignment of the Interests in accordance with the Purchase Agreement by and among the Assignor, Buyer and the other parties thereto, dated as of the date hereof (the “Purchase Agreement”). This Assignment does not, and will not be deemed to, amend, modify, change, expand, restrict, waive, supersede or otherwise affect the representations, warranties, covenants or agreements of the parties in the Purchase Agreement.

This Assignment will be governed by the laws of the State of Delaware, without regard to its conflict-of-law principles. This Assignment will be binding on the undersigned and its successors and assigns and will be for the benefit of Buyer and its successors and assigns.

*(Signature page follows)*

IN WITNESS WHEREOF, this Assignment of Membership Interests is effective as of the date set forth above.

**ASSIGNOR:**

SAUCONY, INC.

By: \_\_\_\_\_  
Name:  
Title:

**BUYER:**

ABG INTERMEDIATE HOLDINGS 2 LLC

By: \_\_\_\_\_  
Name:  
Title:

**ASSIGNMENT OF MEMBERSHIP INTERESTS (SR HOLDINGS,  
LLC)**

**January 10, 2024**

For good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, Saucony, Inc., a Massachusetts corporation (the “Assignor”), hereby sells, conveys, assigns, transfers and delivers unto ABG Intermediate Holdings 2 LLC, a Delaware limited liability company (“Buyer”), all of the Assignor’s right, title and interest in and to an aggregate of One Hundred Percent (100%) of the membership interests (the “Interests”) of SR Holdings, LLC, a Delaware limited liability company (the “Company”), standing in the Assignor’s name on the books of the Company. Capitalized terms used but not defined herein shall have the meaning attributed to them in the Purchase Agreement (as defined below). The Assignor hereby constitutes and appoints any officer of the Company as the Assignor’s true and lawful attorney-in- fact, with full power of substitution, to transfer the Interests on the books of the Company in accordance with this Assignment.

This Assignment of Membership Interests (“Assignment”) is made solely to effect the transfer and assignment of the Interests in accordance with the Purchase Agreement by and among the Assignor, Buyer and the other parties thereto, dated as of the date hereof (the “Purchase Agreement”). This Assignment does not, and will not be deemed to, amend, modify, change, expand, restrict, waive, supersede or otherwise affect the representations, warranties, covenants or agreements of the parties in the Purchase Agreement.

This Assignment will be governed by the laws of the State of Delaware, without regard to its conflict-of-law principles. This Assignment will be binding on the undersigned and its successors and assigns and will be for the benefit of Buyer and its successors and assigns.

*(Signature page follows)*



IN WITNESS WHEREOF, this Assignment of Membership Interests is effective as of the date set forth above.

**ASSIGNOR:**

SAUCONY, INC.

By: \_\_\_\_\_  
Name:  
Title:

**BUYER:**

ABG INTERMEDIATE HOLDINGS 2 LLC

By: \_\_\_\_\_  
Name:  
Title:

## EXHIBIT 8.3

### OTHER IP PURCHASED ASSETS

The Other IP Purchased Assets include the following assets:

(a) the Domain Names listed on Schedule 2.9(a) owned by Wolverine and all other Intellectual Property Rights: (i) owned or held for use exclusively in connection with the Business by any Seller Party or their Affiliates (other than the Acquired Companies), (ii) in any product designs, patterns or prints that are used or have been used in connection with products under the Sperry Brand and are owned or held for use by any Seller Party or their Affiliates (other than the Acquired Companies); or (iii) constituting all rights of publicity, image and likeness of Paul Sperry owned or held for use by any Seller Party or their Affiliates (other than the Acquired Companies), in each case of (i) – (iii) together with all rights to enforce such Intellectual Property Rights with respect to past, present and future infringements and misappropriations thereof (the “**Intellectual Property Assets**”);

(b) rights by any Seller Party or Affiliate of any Seller Party (other than the Acquired Companies) under all Marketing and Design Agreements, co-existence agreements and settlement agreements relating to the Intellectual Property Assets, including those listed on Schedule 2.9(d); *provided, however* that the settlement agreements with Sunflower Licensing LLC and Geographic Location Innovations, LLC, and the voluntary dismissal with DigiPortal LLC, each of which is set forth on Schedule 2.9(g) and each of which is related exclusively to e-commerce activities of the Business, will be excluded from the Other IP Purchased Assets;

(c) the rights under the Marketing and Design Agreements set forth on Schedule 2.9(e)(iii) to extent to the applicable to the Sperry Brand;

(d) the Included Contracts;

(e) to the extent within the applicable Seller Party’s or its Affiliate’s possession or control, all original chain of title documents, prosecution and opposition histories, copies of all records, documents, reports, analyses, and other writings, whether in hard copy or electronic, to the extent exclusively relating to the Intellectual Property Assets or the Acquired Company IP, including legal files in the possession of such Seller Party’s or its Affiliate’s legal departments or maintained by such Seller Party’s or its Affiliate’s attorney(s) or accountant(s); *provided, however*, that the Parties acknowledge and agree that the actual transfer of such files and records will begin promptly following Closing;

(f) copies of the list of commercial customers and the list of licensees that (i) are or (ii) have been used or held for use in the last three (3) years by any Seller Party in connection with the Intellectual Property Assets or the Acquired Company IP, which lists are located in Folder 2.5 of the Data Room, and including the e-commerce customer lists and wholesale accounts pertaining to distribution of Sperry branded products by the Seller Parties’ affiliate in Mexico;

(g) all consumer data collected or received, and maintained, in connection with the operation of the Business, to the extent such consumer data is assignable to Buyer pursuant to the

terms of this Agreement in accordance with all applicable Data Protection Obligations, which data is being delivered by Seller Parties to Aldo;

(h) to the extent transferable, all express and implied warranties, indemnities and guarantees to the extent exclusively related to the Intellectual Property Assets or the Acquired Company IP;

(i) all proceeds, benefits and assets of the foregoing;

(j) all rights, causes of action, judgments, claims, reimbursements, and demands under manufacturers', suppliers', contractors', licensors' and vendors' warranties related exclusively to the foregoing (a) through (i), in each case, with respect to the period beginning at Closing; and

(k) each Seller Party's goodwill with respect to the Business, if any.

The Other IP Purchased Assets exclude software.

**EXHIBIT 8.4****EXCLUDED CLOSING STORES**

Store No.	Store	Sell-Off Period Expiration
5234	Atlanta, GA	April 1, 2024
5235	Simpsonville, KY	April 1, 2024
5210	Byron Center, MI	February 29, 2024
5106	Galveston, TX	February 29, 2024
5217	Dallas, TX	February 29, 2024
5236	Dawsonville, GA	September 30, 2024

5239	Birch Run, MI	September 30, 2024
5238	Grove City, PA	September 30, 2024
5208	Pottstown, PA	October 31, 2024
5110	Edinburgh, IN	January 31, 2025

**SCHEDULE 7.2(A)(VII)**  
**SPECIFIC INDEMNITIES**

Any and all Adverse Consequences arising out of, resulting from or attributable to:

1. the Proposition 65 Matter;
2. any and all open or pending matters set forth on Schedule 2.9(g), including, without limitation, the BMG Matter;
3. the Keds Purchase Agreement;
4. ownership by SR Holdings of Stride Rite Mexico, S.A. de C.V.;
5. the California Invasion of Privacy Matter; and
6. the Pre-Closing Contribution.

PURCHASE AGREEMENT

by and among

ALDO U.S. INC.  
 (“**Buyer**”),

WOLVERINE WORLD WIDE, INC.  
 (“**Wolverine**”),

AND

EACH OF THE OTHER SELLER PARTIES IDENTIFIED HEREIN  
 (together with Wolverine, the “**Seller Parties**”)

January 10, 2024

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## **EXHIBITS**

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<u>Exhibit 8.8</u>	Excluded Closing Stores

## **PURCHASE AGREEMENT**

This PURCHASE AGREEMENT (this “**Agreement**”) is made as of January 10, 2024, by and among Aldo U.S. Inc., a Delaware corporation (“**Buyer**”), Wolverine World Wide, Inc., a Delaware corporation (“**Wolverine**”), and the other Seller Parties identified on the signature page hereto (together with Wolverine, each a “**Seller Party**” and collectively, the “**Seller Parties**”). Buyer and the Seller Parties are sometimes individually referred to in this Agreement as a “**Party**” and collectively as the “**Parties**.” Capitalized terms used in this Agreement and not otherwise defined have the meaning set forth in Article 8.

Wolverine owns and operates the Sperry-branded footwear, apparel and accessories business (the “**Business**”).

Buyer desires to purchase and acquire from each Seller Party, and each Seller Party desires to sell and transfer to Buyer, certain assets of the Business for the consideration and on the terms set forth in this Agreement.

Concurrently with the consummation of the transactions contemplated by this Agreement and as a condition thereto, Wolverine and certain Affiliates are selling certain intellectual property used in connection with the Business along with certain international distributor/license Contracts to ABG-Sperry, LLC (“**ABG**”) pursuant to a purchase agreement, dated as of the date hereof, by and among ABG, Wolverine and the other parties identified therein (the “**ABG Purchase Agreement**”).

ACCORDINGLY, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, and for good and valuable consideration, the receipt of which the Parties acknowledge, and intending to be legally bound, the Parties agree as follows:

### **ARTICLE 1**

#### **PRINCIPAL TRANSACTION**

Section 1.1 **Sale and Purchase of Assets**. On the terms and subject to the conditions of this Agreement, at Closing, each Seller Party will sell, grant, convey, assign, deliver and transfer to Buyer, and Buyer will purchase and accept from such Seller Party, all of the right, title and interest in the Purchased Assets owned by such Seller Party, free and clear of any Encumbrances (other than Permitted Encumbrances).

Section 1.2 **Purchase Price; Closing Payment; Assumed Liabilities**.

(a) **Purchase Price**. The consideration for the sale and transfer of the Purchased Assets shall be an aggregate amount equal to the sum of (i) the Closing Purchase Price (subject, in the case of the Purchased Inventory Amount, to adjustment as set forth in this Agreement), *plus*, (ii) the Contingent Consideration (as defined below), *plus*, (iii) the assumption of the Assumed Liabilities.

(b) **Closing Payment**. At the Closing, Buyer will pay to Wolverine, as payee agent for the Seller Parties, the Estimated Closing Purchase Price (as defined below) by wire transfer of

immediately available funds to an account designated by Wolverine, and such amount will be allocated among the Seller Parties as set forth on the Payment Spreadsheet to be delivered pursuant to Section 1.4(b).

(c) Contingent Consideration. On May 10, 2024 (the “**Contingent Payment Date**”), Buyer will pay to Wolverine, as payee agent for the Seller Parties, an amount equal to \$5,000,000 (the “**Contingent Payment**”) if, but only if, each of the following criteria are satisfied: (i) the Gross Margin generated by the sale of the Purchased Inventory equals or exceeds 40%, when measured against Wolverine’s book value of the Purchased Inventory, (ii) the Purchased Inventory to be transferred to Buyer at the end of the applicable TSA term is less than 150,000 pairs, and (iii) the aggregate amount paid or owing under the TSA as of the Contingent Payment Date is less than \$12,000,000. In the event of any dispute as to the satisfaction of the foregoing conditions, the Parties will refer such dispute to the Accounting Firm for resolution in accordance with the procedures set forth in Section 1.4(c), as if such provision was set forth herein, *mutatis mutandis*.

(d) Assumed Liabilities. As additional consideration for the Purchased Assets, at Closing, Buyer will assume the Assumed Liabilities. Except for the Assumed Liabilities, neither Buyer nor any of its Affiliates will assume or be responsible for the Liabilities of Wolverine, or any of its Affiliates, including any Seller Party. The Liabilities of Wolverine, or any of its Affiliates, including any Seller Parties not expressly included among the Assumed Liabilities are referred to as “**Excluded Liabilities**.”

Section 1.3 Estimated Closing Statement; Estimated Closing Purchase Price. Prior to the Closing Date, Wolverine has delivered to the Buyer:

(a) a written statement (the “**Estimated Closing Statement**”) setting forth in reasonable detail Wolverine’s good faith estimate of the Closing Purchase Price (the “**Estimated Closing Purchase Price**”) and each component thereof, including the Purchased Inventory Amount (the “**Estimated Purchased Inventory Amount**”), the Gift Card Adjustment Amount and the In-Store Cash Amount; and

(b) a spreadsheet (the “**Payment Spreadsheet**”) setting forth: (i) the portion of the Estimated Closing Purchase Price allocated to each Seller Party; and (ii) wire transfer instructions for Wolverine, as payee agent for the Seller Parties.

Section 1.4 Post Closing Statement; Final Closing Purchase Price.

(a) Within 90 days following the Closing Date, Buyer will deliver to Wolverine a written statement (the “**Preliminary Closing Statement**”) setting forth in reasonable detail Buyer’s good faith calculation of the Purchased Inventory Amount and the resulting calculation of the Closing Purchase Price based thereon.

(b) Wolverine will have the opportunity to review the Preliminary Closing Statement until 11:59 p.m. on the date that is 30 days following Wolverine’s receipt thereof (the “**Review Period**”). From delivery of the Preliminary Closing Statement to Wolverine until the Final Closing Purchase Price is determined, upon Wolverine’s request, Buyer will promptly make available to Wolverine and its Representatives the documents and information used in preparing

the Preliminary Closing Statement, and all other documents and information reasonably requested by Wolverine to verify or recalculate the Purchased Inventory Amount set forth on the Preliminary Closing Statement. Buyer and its Affiliates will also provide Wolverine and its Representatives reasonable access to members of its accounting and financial staff and outside accountants who worked on the Preliminary Closing Statement, in each case, as reasonably necessary in order for Wolverine to evaluate and respond to the calculations contained in the Preliminary Closing Statement. The Preliminary Closing Statement will become final, conclusive and binding on the Parties unless, prior to the end of the Review Period, Wolverine notifies Buyer in writing of any objections thereto (an “**Objection Notice**”), identifying in reasonable detail the disputed items and the estimated amounts of the disputed items if then reasonably determinable; *provided* that any such objections will only be made on the basis that the amounts set forth in the Preliminary Closing Statement resulted from mathematical or clerical error or were not determined in accordance with the definitions set forth in this Agreement. If Wolverine timely delivers an Objection Notice to Buyer, Buyer and Wolverine will negotiate in good faith for a period of 15 days (or such longer period as they may agree) to resolve the objections. If Buyer and Wolverine resolve some or all of the objections within the prescribed period, they will document their resolution in writing signed by the Parties, and such resolution will be final, conclusive and binding on the Parties. If Buyer and Wolverine are unable to resolve all objections within the prescribed period, either Buyer or Wolverine may refer the matters still in dispute for resolution as provided in Section 1.4(c).

(c) Disputes. Any unresolved dispute concerning the Preliminary Closing Statement will be referred for resolution to RSM US LLP, who will be jointly retained by Buyer and Wolverine. If the Parties are unable to engage RSM US LLP for any reason, then Buyer and Wolverine will each designate a nationally or regionally recognized independent accounting firm with whom it and its Affiliates have no current professional relationship and the accounting firm to resolve the dispute will be chosen by lot (RSM US LLP or any other chosen accounting firm, the “**Accounting Firm**”). Buyer and Wolverine will promptly execute any reasonable agreement required by the Accounting Firm for its engagement hereunder. The Accounting Firm will act as an expert and not an arbitrator or mediator and will resolve only the disputed items that have been referred to it pursuant to this Section 1.4(c) and only in accordance with the procedures, methods of calculations and terms set forth in this Agreement (including the calculation of the Purchased Inventory Amount in accordance with the formula set forth in Exhibit 8.6), without regard to principles of equity. The Accounting Firm will have no authority or power to alter, modify, amend, add to or subtract from any term or provision of this Agreement. The Accounting Firm must resolve each disputed item within the range of differences between Buyer’s and Wolverine’s positions. The Parties will provide the Accounting Firm with all reasonably relevant books and records in their possession or control as may be reasonably requested by the Accounting Firm. No Party or any Affiliate or Representative of a Party will meet or discuss any substantive matters with the Accounting Firm without Buyer and Wolverine and their respective Representatives present, either in person or by telephone. The Accounting Firm may also require a Party to answer reasonable questions that it deems reasonably relevant to the resolution of the dispute. All materials and information (including answers to questions) submitted to the Accounting Firm must be concurrently delivered to Buyer or Wolverine, as the case may be. All disputes with respect to the calculation of the Purchased Inventory Amount in the Preliminary Closing Statement will be resolved exclusively by the Accounting Firm. The Accounting Firm will allocate its fees and expenses between Buyer and Wolverine based on the inverse of the percentage that the Accounting

Firm's resolution of the disputed items (before such allocation) bears to the total amount of the disputed items as originally submitted to the Accounting Firm. For example, if the total amount of the disputed items as originally submitted to the Accounting Firm equals \$1,000 and the Accounting Firm awards \$600 in favor of Wolverine's position, 60% of the fees and expenses of the Accounting Firm would be borne by Buyer and 40% of the fees and expenses of the Accounting Firm would be borne by Wolverine. The Accounting Firm's determinations regarding the disputed items submitted to it hereunder, absent fraud or manifest error, will be final, conclusive and binding upon the Parties. The Closing Purchase Price as finally determined in accordance with this Section 1.4 (whether as a result of a failure to timely deliver an Objection Notice, mutual resolution by Buyer and Wolverine pursuant to Section 1.4(b), determination by the Accounting Firm in accordance with this Section 1.4(c) or any combination thereof, being the "**Final Closing Purchase Price**"), will be used in calculating the Underpayment Amount or Overpayment Amount pursuant to (d).

(d) Purchase Price Adjustment Payments.

(i) If the Final Closing Purchase Price is greater than the Estimated Closing Purchase Price (such excess amount, the "**Underpayment Amount**"), within three Business Days following the determination of the Final Closing Purchase Price, Buyer will pay to Wolverine (as payee agent for the Seller Parties) the Underpayment Amount by wire transfer of immediately available funds to the account designated by Wolverine on the Payment Spreadsheet (as the same may be changed by Wolverine in writing).

(ii) If the Final Closing Purchase Price is less than the Estimated Closing Purchase Price (such shortfall amount, the "**Overpayment Amount**"), within three Business Days following the determination of the Final Closing Purchase Price, Wolverine will pay or cause to be paid to Buyer the Overpayment Amount by wire transfer of immediately available funds to an account designated in writing by Buyer.

(iii) The Parties agree to treat any payment made pursuant to this (d) as an adjustment to the Purchase Price for all Tax purposes.

(e) No Double Counting. Notwithstanding anything else contained in this Agreement to the contrary, for purposes of calculating the Estimated Closing Purchase Price and the Final Closing Purchase Price, no items included in the definitions of Purchased Inventory Amount, Gift Card Adjustment Amount or In-Store Cash Amount may be double counted.

Section 1.5 Access to Information. From the delivery of the Estimated Closing Statement, including on and after the Closing Date, Buyer and its Representative may, upon reasonable notice to Wolverine and at Buyer's expense, review books and records of the Seller Parties and visit facilities, offices, distribution centers of Seller Parties and Stores in order to review, verify and calculate the Purchased Inventory Amount and the resulting Closing Purchase Price; *provided, however* that Wolverine will be provided at least three Business Days' advanced notice of any physical inventory counts to be conducted by Buyer or its Representatives and will have the right to attend, or have its Representatives attend, any such count. In connection with such review, Buyer and its Representative may seek to review, among other records, (a) historical distribution center cycle counts, (b) lists of inventory adjustments with respect to distribution

centers, (c) results of physical counts and resulting adjustments with respect to any of the Stores, and (d) records and invoices validating cost calculations with respect to any products. Seller Parties will use their respective commercially reasonable efforts to make available to Buyer and its Representatives the documents and information reasonably requested by Buyer to verify or recalculate the Purchased Inventory Amount set forth on the Estimated Closing Statement and access to the members of its accounting and financial staff and outside accountants who assisted in the preparation thereof.

Section 1.6 **Closing**. The consummation of the transactions contemplated by this Agreement (“**Closing**”) will take place on the date hereof (the “**Closing Date**”) by electronic (*i.e.*, email/PDF) exchange of signatures, documents and other deliverables required to be executed and/or delivered at Closing. Closing will be deemed effective as of 11:59 p.m. Eastern time on the Closing Date. The In-Store Cash as of the close of business on the Closing Date, less the In-Store Cash Amount to be retained by Buyer, will be determined as of the close of business on the Closing Date and transferred to Wolverine on the next Business Day.

Section 1.7 **Closing Deliverables**.

(a) At Closing, Buyer will deliver, or cause to be delivered, to Wolverine:

(i) the Estimated Closing Purchase Price by wire transfer of immediately available funds to an account designated by Wolverine as paying agent for the Seller Parties;

(ii) a copy of the Bill of Sale, duly executed by Buyer;

(iii) a copy of the Assignment and Assumption Agreement, duly executed by the Buyer;

(iv) a copy of the TSA, duly executed by Buyer; and

(v) a certificate signed by an authorized officer of Buyer, dated as of the Closing Date, certifying (A) that attached thereto is a true, correct and complete copy of resolutions of the governing body of Buyer authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby; and (B) the names and signatures of the officers of Buyer authorized to sign this Agreement and the other Transaction Documents.

(b) At Closing, the Seller Parties will deliver, or cause to be delivered, to Buyer:

(i) a copy of the Bill of Sale, duly executed by each of the applicable Seller Parties;

(ii) a copy of the Assignment and Assumption Agreement, duly executed by each of the applicable Seller Parties;

(iii) a copy of the TSA, duly executed by Wolverine;

(iv) evidence of the termination or release of, or the right to terminate or release, all Encumbrances on the Purchased Assets (other than Permitted Encumbrances);

(v) a duly executed IRS Form W-9 from each of Wolverine and the other Seller Parties; and

(vi) a certificate signed by an authorized officer of each Seller Party, dated as of the Closing Date, certifying (A) that attached thereto is a true, correct and complete copy of resolutions of the governing body of each such Seller Party authorizing the execution, delivery and performance of this Agreement and the other Transaction Documents and the transactions contemplated hereby and thereby; and (B) the names and signatures of the officers of each Seller Party authorized to sign this Agreement and the other Transaction Documents.

(c) At Closing, Wolverine will deliver, or cause to be delivered, to Buyer:

(i) evidence of (x) the due execution and effectiveness of the ABG Purchase Agreement and (y) the consummation of the ABG Transaction; and

(ii) the FTZ 0290010A5 Permit.

Section 1.8 **Consent of Third Parties**. Subject to any specific arrangements to be set forth in connection with the TSA, this Agreement will not constitute an agreement to assign any Assigned Contract or any claim, right or benefit thereunder or resulting therefrom, if such assignment, without the consent, approval or waiver from the applicable counterparty, would constitute a material breach or violation of such Contract, would prevent Buyer from obtaining the intended rights and benefits under such Contract in any material respect or would impose Liability on any Seller Party. In each such case, except as provided in the TSA, Buyer and Wolverine will, following Closing, use their respective commercially reasonable efforts to obtain each required consent and upon obtaining such consent the applicable Contract will automatically transfer to Buyer without further action and become an Assigned Contract. Until such consent is received, Buyer and Wolverine will agree in good faith to other arrangements, which may include subcontracting, sublicensing or subleasing, to provide Buyer the practical value of the intended benefits of such Contract as if an Assigned Contract, at the cost and expense of Buyer, as if the executory obligations under such Contract were Assumed Liabilities (except to the extent arising from a breach by a Seller Party prior to Closing).

Section 1.9 **Withholding**. Buyer will be entitled to deduct and withhold from any amounts payable under this Agreement or another Transaction Document any withholding Taxes or other amounts required pursuant to the Code or other applicable Tax Laws to be deducted and withheld; *provided* that Buyer must first notify Wolverine in writing of its intent to deduct or withhold the same. In such event, Buyer and Wolverine will discuss in good faith whether the deductions and withholdings can be mitigated under applicable Law. Buyer will cooperate with Wolverine to eliminate or minimize any required deductions or withholdings. To the extent that amounts are deducted or withheld and remitted to the applicable Governmental Body, such amounts will be treated for purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

**ARTICLE 2**  
**REPRESENTATIONS AND WARRANTIES REGARDING**  
**THE SELLER PARTIES AND THE BUSINESS**

Subject to the exceptions and qualifications set forth on the Disclosure Schedule and Section 9.11, the Seller Parties make the following representations and warranties to Buyer:

Section 2.1 **Organization, Qualification and Power; Authorization.**

(a) Each Seller Party is duly organized, validly existing and in good standing (to the extent such concepts are recognized) under the Laws of the jurisdiction of its organization. Each Seller Party is qualified to conduct its business as it has been and is currently conducted and is in good standing as a foreign entity under the Laws of each jurisdiction where such qualification is required, including where the ownership, leasing or operation of each Seller Party's assets or properties or the conduct of its business requires such qualification. Each Seller Party has the full requisite corporate or limited liability company power and authority necessary to enable it to own, lease or otherwise hold its properties and assets, including the Purchased Assets, and to carry on its business as currently conducted. No Seller Party is in violation of its Organizational Documents.

(b) Each Seller Party has the full requisite corporate or limited liability company power and authority, and the legal right, to execute and deliver the Transaction Documents and each other document or instrument required to be executed or delivered by it at Closing, to perform its obligations thereunder and to consummate the transactions contemplated thereby. The execution and delivery by each Seller Party of, and the performance and consummation by each Seller Party of its obligations under, the Transaction Documents to which it is a party has been and is duly and validly authorized by all the requisite corporate or limited liability company action by each Seller Party. No other corporate or limited liability company actions or proceedings are required to be taken by or on the part of any Seller Party to authorize and permit the execution, delivery and performance by such Seller Party of the Transaction Documents to which it is a party. Each Transaction Document to which a Seller Party is a party has been duly and validly executed and delivered and constitutes, assuming due authorization, execution and delivery by each other party thereto, a valid and legally binding obligation of such Seller Party, enforceable against it in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws relating to or affecting the rights of creditors generally and subject to the application of general principles of equity (regardless of whether considered in a Proceeding in equity or at law) (collectively, the "**Enforceability Exceptions**").

Section 2.2 **Noncontravention.** Neither the execution and delivery by a Seller Party of the Transaction Documents to which it is a party, the sale by each Seller Party of its Purchased Assets pursuant to the Transactions Documents, the performance by a Seller Party of its obligations under such Transaction Documents nor the consummation by a Seller Party of the transactions contemplated by such Transaction Documents: (a) violate any provision of the Organizational Documents of such Seller Party; (b) violate any Law or Order to which such Seller Party is subject; (c) except as set forth on Schedule 2.2, conflict with, result in a breach of, constitute (with or without notice or lapse of time or both) a default under, result in the acceleration of, create (with or without notice or lapse of time or both) in any third Person thereto the right to accelerate,



terminate, modify or cancel or require any notice or consent under any Assigned Contract; or (d) result in the imposition of an Encumbrance (other than a Permitted Encumbrance) on any Purchased Asset. Except for notices, filings, authorizations, consents or approvals of any Governmental Body obtained prior to Closing or required by Law to be made after Closing, and assuming receipt of any consent, approval or authorization set forth on Schedule 2.2, no Seller Party is required by Law, Contract or otherwise to give any notice to, make any filing with or obtain any authorization, consent or approval of any Governmental Body in order to consummate the transactions contemplated by the Transaction Documents.

Section 2.3 **Title to Assets; Condition**. At Closing, subject to the filing of customary lien releases with respect to Indebtedness, the Seller Parties own their respective Purchased Assets, and have good, marketable and valid title to, a valid leasehold interest in or a valid license to use, the Purchased Assets, free and clear of any Encumbrance (other than Permitted Encumbrances). The tangible assets and properties included among the Purchased Assets have been maintained in the Ordinary Course, are in operating condition and repair (ordinary wear and tear excepted) and are adequate for the uses to which they are being put. The tangible Purchased Assets are not in need of material maintenance or repairs (except for routine maintenance and repairs in the Ordinary Course).

Section 2.4 **Inventory**.

(a) The Seller Parties have made available to Buyer a description of the products in quarantine which have been identified as containing manufacturing defects, consisting of approximately 180,000 pairs of Sperry-branded footwear (the “**Identified Defective Products**”). All Identified Defective Products have been quarantined by the Seller Parties in a manner that will prohibit and prevent their sale to any customer, and such Identified Defective Products are excluded from the Purchased Assets.

(b) Except as set forth on Schedule 2.4(b), the Inventory included among the Purchased Assets (i) consists of a quantity and quality that is usable and salable in the Ordinary Course consistent with the categories used to determine the portion of the Purchase Price attributable to the Purchased Inventory and consistent with past practice, (ii) is not defective or damaged such that it is not salable, and (iii) is merchantable and fit for its intended use. All such Inventory is owned by the applicable Seller Party free and clear of any Encumbrance (other than Permitted Encumbrances), and no Inventory is held on a consignment basis. Notwithstanding the foregoing, no representation or warranty under this Section 2.4(b) is made with respect to any Inventory being transferred to Buyer without consideration in accordance with Exhibit 8.6.

(c) Other than the Purchased Inventory, the Identified Defective Products and the Retained Sell-Off Products, neither Wolverine, the other Seller Parties nor any of their respective Affiliates hold any Sperry-branded products.

Section 2.5 **[Reserved]**.

Section 2.6 **Absence of Certain Changes**. Except as set forth on Schedule 2.5, since December 31, 2023:

(a) the Business has been conducted in the Ordinary Course (other than with respect to activities to prepare the Business for sale);

(b) the Business has not suffered a Material Adverse Effect; and

(c) except as required by Law or Contract, including an Employee Benefit Plan, and except for payments to be made prior to Closing or included in Seller Transaction Expenses, no Seller Party has: (i) materially increased the compensation paid or payable to any Business Employee, other than increases in the Ordinary Course; or (ii) entered into or materially amended any employment or severance Contract with, any Business Employee.

## Section 2.7 **Legal Compliance**

(a) Each Seller Party (with respect to the Business) possesses all the necessary permits, licenses, approvals, consents, waivers, qualifications, registrations, exemptions, certifications, consents, listings and authorizations by, of or with a Governmental Body that are material to or required for the ownership or operation of the Purchased Assets or the performance of its obligations under the Assigned Contracts (collectively, the “**Licenses**”). Each such License is listed on Schedule 2.7(a). Except as set forth on Schedule 2.7(a), each Seller Party (with respect to the Business) is, and during the last three years has been, in compliance in all material respects with its Licenses. During the last three years, no Seller Party (with respect to the Business) has received any written, or to the Seller Parties’ Knowledge any other, notice from any Governmental Body regarding revocation, suspension or amendment of any License which remains unresolved, and material documents, reports and notices required to be filed with any Governmental Body by any Seller Party with respect to the ownership or operation of the Purchased Assets or the performance of its obligations under the Assigned Contracts have been so filed on a timely basis, and were complete and accurate in all material respects as of the date of filing, or were subsequently updated, changed, corrected, or modified. No such filing with any Governmental Body made by any Seller Party contains any materially false, misleading or otherwise inaccurate statements or information, whether express or due to omission of material information, as of the date of filing.

(b) Except as set forth on Schedule 2.7(b), each Seller Party (with respect to the Business) is, and during the last three years has been, in compliance in all material respects with applicable Laws and Orders relating to the ownership or operation of the Purchased Assets or to which any of the Purchased Assets are subject, or the performance of its obligations under the Assigned Contracts, and during the last three years no Seller Party (with respect to the Business) has received written, or to the Seller Parties’ Knowledge any other, notice of any threatened claim or charge with respect to any violation of any such Law or Order. During the past three years, no Seller Party has made any prior disclosure to any Governmental Body related to violations (potential or actual) of any Law with respect to the Purchased Assets, except as set forth on Schedule 2.7(b).

(c) Each Seller Party (with respect to the Business) is, and during the past three years, has been in compliance in all material respects with all applicable Laws governing the importation of products, technology, technical data and services (collectively, “**Import Laws**”), including the U.S. Customs laws and regulations administered and enforced by the U.S. Department of

Homeland Security's Customs and Border Protection. During the past three years, no Seller Party (with respect to the Business) has made any prior disclosure to any Governmental Body related to violations (potential or actual) of any Import Law, or is or has been during the past three years the subject of any Proceedings by any Governmental Body related to violations of Import Laws. Each Seller Party (with respect to the Business) maintains a compliance program reasonably expected to result in compliance with the Uyghur Forced Labor Prevention Act ("UFLPA") and ensure that no merchandise imported into the United States (or any components, parts, or ingredients in such merchandise) is produced in whole or in part in the Xinjiang Uyghur Autonomous Region of China or by any entity designated on the UFLPA Entity List.

Section 2.8 **Tax Matters**. Except as set forth on Schedule 2.8:

(a) all Tax Returns of each Seller Party with respect to the Business or with respect to the Purchased Assets that were required to have been filed were timely filed, and all such Tax Returns are true, accurate and correct in all material respects;

(b) all Taxes (whether or not such Taxes have been reflected on any Tax Return) payable with respect to the Business or with respect to the Purchased Assets have been paid;

(c) there are no pending or, to the Seller Parties' Knowledge, threatened Proceedings by any Taxing Authority against any Seller Party (with respect to the Business or with respect to the Purchased Assets) and no written notification has been received by a Seller Party threatening any such Proceeding;

(d) during the last three years, no written claim has been made by a Governmental Body in a jurisdiction where any Seller Party (with respect to the Business or with respect to the Purchased Assets) does not file Tax Returns asserting that such Seller Party (with respect to the Business or the Purchased Assets) is or may be subject to taxation in such jurisdiction;

(e) each Seller Party (with respect to the Business or with respect to the Purchased Assets) has withheld all Taxes required to have been withheld in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder, customer or other third Person, and has timely reported and remitted withheld Taxes to the proper Governmental Body in accordance with applicable Tax Laws;

(f) there are no Encumbrances for Taxes (other than Permitted Encumbrances) on any Purchased Assets and, to the Seller Parties' Knowledge, there is no basis for the assertion of any claim relating or attributable to Taxes which, if adversely determined, would result in any Encumbrance for Taxes on any of the Purchased Assets;

(g) no Seller Party (with respect to the Business or with respect to the Purchased Assets) has been (i) a party to any "reportable transaction" within the meaning of Section 6707A(c)(2) of the Code or Treasury Regulations Section 1.6011-4 or (ii) engaged in any transaction that would reasonably be likely to require the filing of an IRS Schedule UTP;

(h) each Seller Party (with respect to the Business) is in compliance with all applicable transfer pricing Laws and regulations, including the execution and maintenance of

contemporaneous documentation substantiating the transfer pricing practices and methodology of the Business. The price for any property or services (or for the use of any property) provided by or to the Business are arm's length prices for purposes of all applicable transfer pricing Laws, including Treasury Regulations promulgated under Section 482 of the Code.

Section 2.9 **Real Property.** No Seller Party owns or leases any real property used exclusively or primarily in the Business, other than retail stores. Schedule 2.9 sets forth a true, accurate and complete list of the address and description of each Store Lease. A copy of each Store Lease has been made available to Buyer. Each Store Lease is legal, valid, binding and enforceable and in full force and effect against the applicable Seller Party and, to the Seller Parties' Knowledge, the counterparty thereto (subject to the Enforceability Exceptions). No Seller Party or, to the Seller Parties' Knowledge, any other Person that is a party to a Store Lease is in material breach or default under such Store Lease and, to the Seller Parties' Knowledge, other than consents that may be required relating to the assignment of such Store Lease to Buyer, no notice has been given or received, and no event has occurred or circumstance exists which, with the delivery of notice, the passage of time or both, would give rise to any such material breach or default or any modification, acceleration, payment, cancellation, termination or any other right or obligation that is adverse in any material respect to the Business under, or in any manner release the counterparty from any material obligation owed to a Seller Party under, such Store Lease. Each Seller Party that is a party to a Store Lease has complied in all material respects with its obligations under such Store Lease and has not taken or omitted to take any action that would result in or give rise to any material Liability, breach or default under such Store Lease. To the Seller Parties' Knowledge, there are no Proceedings pending or threatened with respect to any Store Lease or the use or occupancy of any Store. To the Seller Parties' Knowledge, there are no material defects or deficiencies in the Stores that would impair the continued use of the underlying property following Closing. No Seller Party has received any written or, to the Seller Parties' Knowledge other, notice of a pending or threatened condemnation proceeding affecting any Store or any zoning, building code or other moratorium proceeding which could reasonably be expected to affect the ability to operate any Store as currently operated.

Section 2.10 **Intellectual Property.** Except as set forth on Schedule 2.10, none of the Purchased Assets or the Company Website, or the manufacture, use, operation, distribution, importation, or sale thereof, infringes, violates or makes unlawful use of any Intellectual Property Right of, and none of the Purchased Assets or the Company Website contains any Intellectual Property misappropriated from, any other Person. Except as set forth in Schedule 2.10, no infringement, misappropriation or similar claim or Proceeding arising from the manufacture, use, operation, distribution, importation, or sale of any Purchased Asset or the Company Website is pending or threatened against any of Wolverine, any of the Seller Parties or any of their Affiliates, and there are no circumstances that would give rise to any of the foregoing.

Section 2.11 **Privacy and Data Security.**

(a) The Seller Parties and their Affiliates (with respect to the Business) are, and have been during the past three years, in compliance in all material respects with (i) applicable Law relating to the rights of any Person with respect to Personal Information, including the Processing of Personal Information and all applicable industry standards related to the same (collectively, "**Privacy Law**"), (ii) any consents and privacy choices, including opt-in or opt-out preferences

(such as with respect to direct marketing activities and the initiation, transmission, monitoring, interception, recording or receipt of communications) and rights requests, of natural Persons relating to Personal Information (“**Privacy Choices**”), and any obligations contained in any applicable external data privacy and security policies to which a Seller Party (with respect to the Business) is bound with respect to the Processing of Personal Information (together, “**Company Privacy Commitments**”), and (iii) any contractual commitment made by any Seller Party or its Affiliates (with respect to the Business) that is applicable to such Personal Information (each, a “**Company Data Agreement**”) (i-iii, collectively, “**Data Protection Obligations**”). The Seller Parties and their Affiliates (with respect to the Business) have provided adequate notice and obtained consents necessary for the Processing of Personal Information to the extent required under Data Protection Obligations. Neither the execution, delivery, and performance of any Transaction Document or the consummation of the transactions contemplated thereby will cause, constitute, or result in a material breach or violation of any Data Protection Obligation. Copies of all current public facing policies used by the Business relating to the Business’s Processing of Personal Information have been made available to Buyer and such copies are accurate and complete. There are no prior public facing policies that require materially different Company Privacy Commitments regarding the Business’s Processing of Personal Information that have not been replaced or superseded by subsequent public facing policies. During the past three years, the Seller Parties and their Affiliates (with respect to the Business) have collected, tracked, and maintained complete, current, and accurate records of Privacy Choices regarding all Personal Information in their possession or control, and made, or will make, all such Privacy Choices available in documented form to Buyer.

(b) Each Contract between any Seller Party or any of its Affiliates (in connection with the Business), on one hand, and any Person, on the other hand, that Processes Personal Information from, for, or on behalf of such Seller Party or Affiliate (in connection with the Business) (a “**Third- Party Processor**”) complies with Data Protection Obligations.

(c) Except as set forth on Schedule 2.11(c), in the last three years, no claims have been asserted or threatened in writing with respect to the Processing of Personal Information in connection with the Business or otherwise with respect to Wolverine, any of the Sellers Parties or any of the Affiliates of Wolverine or any of the Seller Parties.

(d) The Seller Parties and its Affiliates (in connection with the Business) have implemented and maintained technical, physical, and organizational measures, security systems, and Company Technology in a manner that is reasonable for the nature of the information protected, in compliance with all data security requirements under Data Protection Obligations and that are designed to protect Company Technology and Personal Information from loss, theft, unauthorized access, use, disclosure, or modification.

(e) In the last three years, no breach or security incident of the Seller Parties’ or any of their respective Affiliates’ (in connection with the Business) information technology systems in relation to any information or data Processed by or on behalf of any Seller Party or any of its Affiliates (in connection with the Business) has occurred or is threatened that has resulted or is reasonably likely to result in material disruption or damage to the Business. In the past three years, no circumstance has arisen in which Privacy Law would require any Seller Party or any of its Affiliates (in connection with the Business) to notify a Governmental Body or Person of a data

breach or security incident, and to the Seller Parties' Knowledge no such circumstance has arisen with respect to any Third Party Processors. The Seller Parties and their Affiliates (in connection with the Business) have taken commercially reasonable measures to ensure that all Third-Party Processors enter into written obligations of confidentiality with respect to data that is protected by Privacy Laws.

(f) Except as set forth on Schedule 2.11(f), in the last three years, neither any Seller Party nor any of its Affiliates (in connection with the Business) has received any written, or to the Seller Parties' knowledge, any oral, claim, notice or allegation from a Governmental Body or any other Person alleging or confirming non-compliance with a relevant requirement of any Data Protection Obligation, and to the Seller Parties' Knowledge there is no circumstance that would reasonably be expected to give rise to any such claim, notice, or allegation.

Section 2.12 **Factory Purchase Orders**. Each Factory PO is valid, binding and enforceable and in full force and effect against the applicable Seller Party, subject to the Enforceability Exceptions. No Seller Party or, to the Seller Parties' Knowledge, no counterparty thereto, is in breach or default in any material respect under any Factory PO and, to the Seller Parties' Knowledge, no event or circumstance has occurred which with notice, lapse of time or both would constitute such a material breach or default or otherwise cause or permit acceleration or other changes of any material right or obligation thereunder, including the cancellation or termination of any Factory PO or the loss of any right or benefit thereunder. No Seller Party and, to the Seller Parties' Knowledge, no counterparty to a Factory PO has provided or received any notice of an intention to terminate or have performance excused or delayed under any Factory PO. Wolverine has made available to Buyer a copy its form of Factory PO and a list of open Factory POs.

Section 2.13 **Litigation**. Except as set forth on Schedule 2.13, there are no Proceedings or Orders pending, threatened in writing or, to the Seller Parties' Knowledge, threatened in any way other than writing against a Seller Party with respect to the Business or involving the Purchased Assets (including any Proceeding questioning the validity of any Transaction Document or seeking to enjoin or obtain monetary damages in respect of any Transaction Document or delay the consummation of the transactions contemplated thereby).

#### Section 2.14 **Employees**.

(a) Schedule 2.14(a) identifies the employees of the Business to whom Buyer intends to offer employment, which includes each active employee working at the Stores (collectively, the "**Identified Employees**"). Schedule 2.14(a) also sets forth for each Identified Employee: (i) his or her employer; (ii) title or position; (iii) date of hire; (iv) base salary or hourly wage rate; (v) bonus opportunity; (vi) Fair Labor Standards Act classification (if applicable); (vii) full-time or part-time status; (viii) accrued vacation and PTO; (ix) leave status, including, as applicable, reason for leave and expected return to work date if known; (x) principal work location; and (xi) visa status, including, as applicable, type of visa and expiration date.

(b) Except as set forth on Schedule 2.14(b), no Identified Employee is subject to a collective bargaining Contract, labor Contract or other Contract with any union or labor organization, and no such Contract is presently being negotiated. There are, and within the last

three years have been, no union organizing campaigns made or threatened by or on behalf of any union or labor organization with respect to any Identified Employees.

(c) Except as set forth on Schedule 2.14(c), with respect to each Identified Employee and his or her applicable employer:

(i) there is no unfair labor practice complaint or other charge with respect to employment or labor matters pending or, to the Seller Parties' Knowledge, threatened before the National Labor Relations Board or any other Governmental Body;

(ii) there is no pending labor strike, work stoppage or lockout or, to the Seller Parties' Knowledge, other material labor dispute;

(iii) the applicable employer is, and during the past three years has been, in compliance in all respects with applicable Laws respecting labor, employment, immigration, discrimination, harassment, retaliation, collective bargaining, fair employment practices, work place safety and health, terms and conditions of employment, wages and hours, meal and rest breaks, workers' compensation, leave, disability, WARN Act and similar Laws, the proper classification and treatment of employees as exempt or non-exempt and the proper classification and treatment of any independent contractor;

(iv) the applicable employer is not delinquent in the payment of any wages, salaries, commissions, bonuses, fees or other compensation with respect to any products sold or services performed prior to the date of this Agreement due (except to the extent being contested in good faith); and

(v) the applicable employer is not subject to any Order (other than Orders of general applicability) in respect of any labor or employment matters.

(d) To the Seller Parties' Knowledge, no Identified Employee is in violation of any material term of any employment Contract, confidentiality, non-competition, non-solicitation or other proprietary rights Contract or any other Contract, in each case, relating to the right of such individual to be employed by, or provide services to, the Business.

(e) Within the past three years, no allegation, complaint, charge or claim (formal or informal) of sexual harassment, sexual assault, sexual misconduct, gender discrimination or similar behavior (a "**Sexual Misconduct Allegation**") has been made in writing, or to the Seller Parties' Knowledge otherwise, against any Seller Party (with respect to an Identified Employee) or an Identified Employee who is or was an officer, director, manager or supervisory-level employee. Within the past three years, no Seller Party has entered into any settlement agreement, tolling agreement, non-disparagement agreement, confidentiality agreement or non-disclosure agreement, or any Contract or provision similar to any of the foregoing, relating directly or indirectly to a Sexual Misconduct Allegation against an Identified Employee.

#### Section 2.15 **Employee Benefits.**

(a) Each Employee Benefit Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS with respect to such qualification

or may rely on an opinion or advisory letter issued by the IRS with respect to a prototype or volume submitter plan and, to the Seller Parties' Knowledge, no event has occurred that would cause such qualification to be revoked by the IRS.

(b) No Employee Benefit Plan provides health care benefits to Identified Employees after retirement (other than as required by Part 6 of Subtitle B of Title I of ERISA or similar state Law, if applicable). No Seller Party has (i) any obligation to contribute to a Multiemployer Plan or (ii) any unsatisfied liability under Title IV of ERISA, in either case of clause (i) or (ii), with respect to or on behalf of any Identified Employee.

(c) With respect to each material Employee Benefit Plan, the Seller Parties have made available to the Buyer either: (i) correct and complete copies of the current plan document and all amendments thereto (or, to the extent no such copy exists, an accurate description of the material terms); or (ii) the most recent summary plan description and summaries of material modifications (if any) related thereto.

Section 2.16 **Environmental**. Except as set forth on Schedule 2.16:

(a) Each Store Lessee is in compliance in all material respects with applicable Environmental Laws. During the last five years, no Store Lessee has received a written or, to the Seller Parties' Knowledge other, notice from a Governmental Body alleging that it is, with respect to a Store, in violation of any applicable Environmental Law.

(b) Each Store Lessee possesses all material Governmental Authorizations required to be held under applicable Environmental Laws with respect to the operation of any Store leased by such Store Lessee.

(c) To the Seller Parties' Knowledge, no release to the Environment has occurred at or on any Store of any Hazardous Substance in a quantity or concentration that has resulted or could reasonably be expected to result in any material Environmental Liability or other material obligation (including any material investigatory or corrective action obligation) to a Seller Party. There is no Proceeding or Order pending, outstanding or, to the Seller Parties' Knowledge, threatened by any Governmental Body against any Seller Party with respect to the operation of the Business at a Store pursuant to any Environmental Law. To the Seller Parties' Knowledge, no Hazardous Substance has been generated, emitted, transported, stored, treated or disposed of, released or handled at any Store in violation, in any material respect, of any Environmental Law.

Section 2.17 **Vendors**. Schedule 2.17 sets forth a true, accurate and complete list of the 10 largest factories supplying Sperry-branded footwear based on the total amount purchased during (a) the year 2022 and (b) the year 2023 (such factories, the "**Material Vendors**"). From January 1, 2023 through the date of this Agreement, with respect to the Business, there has been no material change in the business relationship of any Seller Party with any Material Vendor, and no Seller Party has received any written or, to the Seller Parties' Knowledge, oral or other notice from any Material Vendor stating that such Material Vendor will in the future cease or materially reduce its supply of products or services to the Business (other than reductions or fluctuations in the Ordinary Course, including as the result of supply disruptions or as contemplated in existing Contracts).



Section 2.18 **Customers**. Schedule 2.18 sets forth a true, accurate and complete list of the 15 largest retail customers of the Business based on total revenues received for (a) the year 2022 and (b) the year 2023 (such customers, the “**Material Customers**”). From January 1, 2023 through the date of this Agreement, with respect to the Business, there has been no material change in the business relationship of any Seller Party with any Material Customer, and no Seller Party has received any written or, to the Seller Parties’ Knowledge, oral or other notice from any Material Customer stating that such Material Customer will in the future cease or materially reduce its purchase of products or services from the Business (other than reductions or fluctuations in the Ordinary Course, including as the result of supply disruptions or as contemplated in existing Contracts).

Section 2.19 **Illegal Payments; FCPA**. Each Seller Party is, and since January 1, 2019 has been, in compliance in all material respects with the U.S. Foreign Corrupt Practices Act of 1977, as amended (“**FCPA**”), and all other Laws relating to anti-bribery, anti-money laundering or anti-corruption and no director, officer or employee or, to the Seller Parties’ Knowledge, any partner, distributor, reseller, agent or other Person acting on behalf any Seller Party, in each case, with respect to the Business, has, for the purpose of securing an improper advantage in obtaining or retaining business for or with, or directing business to, any Person, (A) made, offered or authorized, or agreed to make, offer or authorize, any unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity; (B) made, offered or authorized, or agreed to make, offer or authorize, any unlawful payment to any foreign or domestic government official or employee, foreign or domestic political party or campaign, candidate for political office, official of any public international organization or official of any state-owned enterprise; or (C) made, offered or authorized, or agreed to make, offer or authorize, any bribe, payoff, influence payment, kickback or other similar unlawful inducement.

Section 2.20 **Broker’s Fees**. No Seller Party or anyone acting on its behalf has incurred or will incur any Liability to pay fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement or the other Transaction Documents for which Buyer or any of its Affiliates will be liable. Any fees and expenses due Centerview Partners LLC (the “**Seller Financial Advisor**”) and/or its Affiliates related to the transactions contemplated by this Agreement that are not paid in advance of Closing will be included in Seller Transaction Expenses.

Section 2.21 **Affiliate Transactions**. Schedule 2.21 sets forth a true and complete list of any Contracts related to the Purchased Assets between or among any Seller Party, on the one hand, and Seller Party or any of its Affiliates or any of its or their directors, managers, officers or employees, on the other hand, which is currently in effect.

Section 2.22 **Product Liability**. With respect to the Business and any products sold under the Sperry brand during the past three years:

(a) No Seller Party has issued a product recall, concerning any such products of the Business or any product(s) manufactured, shipped, sold or delivered by such Seller Party or any of its Affiliates, which has occurred or is pending, except as set forth on Schedule 2.16(a).

(b) Such products have been in all material respects in compliance with all Laws applicable to the conduct of the Business, including the United States Consumer Product Safety Act, the Flammable Fabrics Act, the Hazardous Substances Act, all regulations and policies of the United States Consumer Product Safety Commission and the United States Food and Drug Administration and other Governmental Bodies (all such Laws and standards being referred to collectively as “**Safety Requirements**”); and

(c) To the extent required by any Laws, inventory has been tested for safety pursuant to, and in accordance with, in all Safety Requirements (including Proposition 65).

Section 2.23 **Reliance**. The Seller Parties acknowledge that, except as set forth in Article 3, Buyer is not making and will not be deemed to have made, and no Seller Party is relying on, any representation or warranty of Buyer or any other Person, express or implied, in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby.

Section 2.24 **No Other Representations or Warranties**. Other than the representations and warranties expressly made by the Seller Parties in this Article 2 (such representations and warranties collectively, the “**Express Representations**”), no Seller Related Persons or any Person acting on their respective behalf has made, and will not be deemed to have made, any representation or warranty, express or implied, in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby, and any other such representations and warranties are expressly waived.

### **ARTICLE 3**

#### **REPRESENTATIONS AND WARRANTIES OF BUYER**

Buyer makes the following representations and warranties to the Seller Parties:

Section 3.1 **Organization**. Buyer is duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization. Buyer has full requisite entity power and authority to carry on its businesses.

Section 3.2 **Authorization**. Buyer has the full requisite entity power and authority to execute and deliver the Transaction Documents to which it is a party and to perform its obligations thereunder. The execution and delivery by Buyer of, and the performance by Buyer of its obligations under, the Transaction Documents to which it is a party has been, assuming due authorization, execution and delivery by each other party thereto, duly and validly authorized by all requisite action. Each of the Transaction Documents to which Buyer is a party has been duly and validly executed and delivered by Buyer and constitutes the valid and legally binding obligation of Buyer enforceable against Buyer in accordance with its terms and conditions, subject to the Enforceability Exceptions.

Section 3.3 **Noncontravention**. Neither the execution or delivery by Buyer of this Agreement or the other Transaction Documents to which it is (or will be) a party, the performance by Buyer of its obligations hereunder or thereunder, nor the consummation by Buyer of the transactions contemplated hereby and thereby will: (a) violate any Law or Order to which Buyer

is subject or any provision of its Organizational Documents; or (b) conflict with, result in a breach of, constitute a default under (with or without notice or lapse of time or both) any Contract to which Buyer is a party or by which Buyer is bound. Except for any notices, filings, authorizations, consents or approvals of any Governmental Body obtained by Buyer or an Affiliate prior to Closing or required by Law to be made after Closing, Buyer is not required by Law, Contract or otherwise to give any notice to, make any filing with or obtain any authorization, consent or approval of any Governmental Body in order to consummate the transactions contemplated by the Transaction Documents.

Section 3.4 **Proceedings**. There is no Proceeding pending or, to the knowledge of Buyer, threatened against Buyer: (a) that questions the validity of any Transaction Document to which it is a party or any action taken or to be taken by Buyer in connection with, or which seek to enjoin or obtain monetary damages in respect of, any Transaction Document to which it is a party; or (b) that, individually and in the aggregate, could reasonably be expected to prevent or delay in any material respect the ability of Buyer to perform its obligations under and consummate the transactions contemplated by any Transaction Document to which it is a party.

Section 3.5 **Financing**. Buyer's obligation to consummate the transactions contemplated by this Agreement and the other Transaction Documents is not subject to any conditions regarding Buyer's ability to obtain financing and Buyer has available sufficient cash, lines of credit or other sources of immediately available funds to enable Buyer to satisfy all of the Closing Date obligations of Buyer under this Agreement (including paying the Purchase Price and all costs and expenses required to be paid by Buyer) and to consummate the transactions contemplated by this Agreement.

Section 3.6 **Solvency**. Buyer is solvent and, assuming the accuracy in all material respects of the representations and warranties set forth in Article 2 as of Closing, immediately following Closing, after giving effect to the transactions contemplated by this Agreement and the other Transaction Documents, Buyer will be solvent. No transfer of property is being made and no obligation is being incurred by or at the direction of Buyer or any of its Affiliates in connection with the transactions contemplated by the Transaction Documents with the intent to hinder, delay or defraud either present or future creditors of Buyer or any of its Affiliates.

Section 3.7 **Inspection**. Buyer is an informed and sophisticated Person and has engaged expert advisors experienced in the evaluation and acquisition of companies as contemplated hereunder. Buyer has undertaken such investigation as it deems necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement and the other Transaction Documents. Buyer and its Representatives have been afforded the opportunity to obtain additional information to verify the accuracy of the representations and warranties made by the Seller Parties in this Agreement and to otherwise evaluate the merits of the transactions contemplated by this Agreement and the other Transaction Documents. Buyer acknowledges that there are uncertainties inherent in any financial projection or forecast and that Buyer is familiar with such uncertainties and it takes full responsibility for making its own evaluation of the adequacy and accuracy of any projections and forecasts furnished to it or its Affiliates or Representatives.

Section 3.8 **Broker's Fees**. Neither Buyer nor anyone acting on its behalf has incurred or will incur any Liability to pay fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement or other Transaction Documents for which a Seller Party or any of its Affiliates will be liable.

Section 3.9 **No Other Representations or Warranties**. Buyer has not made, nor will be deemed to have made, any representation or warranty in connection with this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby other than as expressly made by it in this Article 3.

#### **ARTICLE 4**

##### **COVENANTS AND AGREEMENTS**

Section 4.1 **Further Assurances**. After Closing the parties will take all actions, execute and deliver all further documents and do all other acts and things as another Party may reasonably request to carry out and document the intent of this Agreement and the other Transaction Documents.

Section 4.2 **Wrong Pockets**. If, after the Closing Date, either Wolverine or Buyer in good faith identifies any asset or Contract owned or held by Wolverine or an Affiliate (which will not include a Contract transferred to ABG as part of the ABG Transaction) that should have been, but inadvertently was not, transferred prior to Closing to Buyer as a Purchased Asset or an Assigned Contract, then Wolverine or Buyer, as applicable, will notify the other as soon as reasonably practicable upon becoming aware of such asset or Contract and, unless it reasonably disagrees in good faith, Wolverine will or will cause its applicable Affiliate to transfer such asset or Contract to Buyer as soon as reasonably practicable for no additional consideration. If, after the Closing Date, either Wolverine or Buyer in good faith identifies any asset or Contract that was transferred to Buyer at Closing that should not have been so transferred, then Wolverine or Buyer, as applicable, will notify the other as soon as reasonably practicable upon becoming aware of such asset or Contract and, unless it reasonably disagrees in good faith, Buyer will or will cause its applicable Affiliate to transfer such asset or Contract to Wolverine or its designee as soon as reasonably practicable for no additional consideration.

Section 4.3 **Public Announcements**. No Party will, and each Party will cause its Affiliates and direct its Representatives not to, issue or cause the publication of any press release or other public announcement with respect to the transactions contemplated by this Agreement or another Transaction Document without the prior written consent of Buyer and Wolverine, which consent will not be unreasonably withheld, delayed or conditioned; *provided, however*, that a Party may, without the prior written consent, issue or cause the publication of any such press release or public announcement to the extent that such Party reasonably determines, after consultation with legal counsel, such action to be required by applicable Law or pursuant to a listing agreement with or rules of any national securities exchange or interdealer quotation service, in which event such Party will use commercially reasonable efforts to allow Buyer or Wolverine (as applicable) reasonable time to comment on such press release or public announcement in advance of its issuance. Notwithstanding the foregoing, Buyer understands that Wolverine will publically announce the consummation of the transactions contemplated by this Agreement or another

Transaction Document and Buyer has been provided a copy of such proposed release and had an opportunity to comment thereon.

#### Section 4.4 **Employees.**

(a) The Parties agree and acknowledge that Buyer or one of its Affiliates may offer employment to each Identified Employee as of the Closing Date that reflects similar role and responsibilities and terms and conditions of employment consistent with Buyer's obligations pursuant to (b) below; *provided, however*, that it is agreed that Buyer will make employment offers to all Identified Employees who are actively employed as retail employees at any of the Stores within five (5) Business Days of the Closing Date. Each Identified Employee who accepts and actually commences employment with Buyer or one of its Affiliates is referred to herein as a "**Transferred Employee**." The Parties intend for each Transferred Employee to have continuous employment immediately before and immediately after Closing and, therefore, it is the Parties' intent that the transactions contemplated under this Agreement will not entitle any Transferred Employee to separation, termination or severance pay or benefits under any Employee Benefit Plan. Identified Employees who are not hired by Buyer or who do not accept Buyer's offer of employment will be either, in Wolverine's sole discretion, retained for continued employment by a Seller Party or its Affiliates or terminated from employment. Any and all payments, severance obligations or other benefits (and any Taxes associated therewith) to which any employee who is not a Transferred Employee becomes entitled, whether as a result of any of the transactions contemplated by this Agreement or otherwise, will be Excluded Liabilities.

(b) Beginning with the Closing Date and continuing for a period of no less than 12 months from and after the Closing Date, Buyer will provide, or will cause one of its Affiliates to provide, to each Transferred Employee, (i) base salary or wage rate that is no less than each such Transferred Employee received immediately prior to Closing, and (ii) employee benefits (other than cash bonus, commission and incentive opportunities, defined benefit pension, deferred compensation, retiree or post-termination health or welfare benefits, equity-based, frozen or grandfathered as of the Closing Date or that relate to phantom equity (the "**Excluded Benefits**")) that are substantially comparable in the aggregate to the employee benefits (other than the Excluded Benefits) provided or made available to each such Transferred Employee under the Employee Benefit Plans immediately prior to Closing or, in Buyer's sole discretion, that are substantially similar to those offered to similarly situated employees of Buyer.

(c) As of the Closing Date, each Identified Employee who receives and accepts an offer of employment from Buyer in accordance with Section 4.4(a) will be terminated by the applicable Seller Party and will cease to be an active participant under the Employee Benefit Plans. Each Transferred Employee will receive credit for service with Wolverine, its Affiliates and their respective predecessors under the benefit and compensation plans and arrangements of Buyer and its Affiliates in which Transferred Employees participate (excluding the Excluded Benefits) (each, a "**Buyer Plan**") for purposes of eligibility and vesting, and with respect to vacation, paid time off, severance and employer retirement contributions and determining the level of benefits under each Buyer Plan to the extent that such service was credited by a Seller Party under a comparable Employee Benefit Plan; *provided, however*, that in no event will such credit result in the duplication of benefits. With respect to any Buyer Plan that is a group health plan, Buyer and its Affiliates will take commercially reasonable actions necessary to ensure that each Transferred

Employee (and eligible dependents) are eligible for coverage under such plan(s) that is effective as of the Closing Date subject, however, to any requirements imposed by the insurers of any Buyer Plan. Wolverine or an Affiliate will be solely responsible for any and all obligations, including notice and coverage obligations, under Code Section 4980B or applicable state law with respect to all “M&A qualified beneficiaries” as defined in Treasury Regulation Section 54.4980B-9. In addition, Buyer will, or will cause one of its Affiliates to, use commercially reasonable efforts to (i) waive, or cause to be waived, any limitations as to pre-existing conditions, evidence of insurability, exclusions and waiting periods for Transferred Employees (and their dependents) under such Buyer Plans that are “employee welfare benefit plans” as defined in Section 3(1) of ERISA; and (ii) credit Transferred Employees for co-payments and deductibles incurred during the portion of the applicable plan year prior to the Closing Date under any Employee Benefit Plan that is a group health plan in which the Transferred Employee participates during the year in which the Closing Date occurs in satisfying any deductible or out-of-pocket requirements under the applicable Buyer Plan that is a group health plan for the applicable plan year in which the Closing Date occurs, subject in each case to the Seller Parties providing reasonably adequate data to Buyer, in a format reasonably requested by Buyer.

(d) Wolverine or its Affiliates will be solely responsible, and Buyer will have no obligations whatsoever for, any compensation or other amounts payable to any current or former Business Employees, including hourly pay, commission, bonus, salary, accrued vacation, fringe, pension or profit sharing benefits or severance pay for any period during their employment with Wolverine or its Affiliates at any time on or prior to Closing, and Wolverine or its Affiliates will pay all such amounts to all entitled Persons as and within the time required by applicable Law.

(e) Wolverine or its Affiliates will remain solely responsible for (i) the satisfaction of all claims for medical, dental or health accident benefits brought by or in respect of current or former Business Employees or the spouses, dependents or beneficiaries thereof, which were incurred on or prior to Closing and through the term of the TSA (provided, that any such costs will be dealt with in accordance with the TSA); and (ii) the satisfaction of all life insurance benefits, disability benefits or workers’ compensation claims of any current or former Business Employees which relate to events occurring on or prior to Closing and through the term of the TSA (provided, that any such costs will be dealt with in accordance with the TSA). Wolverine or its Affiliates will pay, or cause to be paid, all such amounts to the appropriate Persons as and when due.

(f) Effective as of the Closing Date, contributions under the Employee Benefit Plan intended to qualify under Section 401(a) of the Code (the “**Wolverine 401(k) Plan**”) in respect of the Transferred Employees who participated in such plan (the “**Participants**”) will cease. As soon as practicable after the Closing Date, such Participants will be permitted to elect to roll over their individual account balances from the Wolverine 401(k) Plan (including any promissory notes held in such accounts, subject to the terms of Buyer’s 401(k) Plan) as a direct rollover to a Buyer Plan that is a defined contribution plan and that meets the qualification requirements of Section 401(a) of the Code.

(g) Nothing contained in this Section 4.4 (whether express or implied) will (i) create or confer any rights, remedies or claims upon any Business Employee or Transferred Employee or any right of employment or engagement or continued employment or engagement or any particular term or condition of employment or engagement for any Business Employee or Transferred

Employee, (ii) be considered or deemed to establish, amend or modify any Employee Benefit Plan or any other benefit or compensation plan, program, policy, agreement, arrangement or contract, or (iii) confer any rights or benefits (including any third-party beneficiary rights) on any Person other than the Parties. Subject to applicable Law, for a period of two years following Closing, neither Buyer nor its Affiliates will, directly or indirectly: (i) solicit or hire any then-current employee of Wolverine or its Affiliates or any individual that was an employee of Wolverine or its Affiliates in the six-month period preceding such solicitation or hiring, in each case, at the Vice President level or above and who Buyer was introduced to, communicated with or first became aware of during its evaluation and negotiation of the transactions contemplated by this Agreement, or (ii) induce any then-current employee of Wolverine or its Affiliates, at the Vice President level or above and who Buyer was introduced to, communicated with or first became aware of during its evaluation and negotiation of the transactions contemplated by this Agreement, to leave his or her employment with Wolverine or such Affiliates; *provided*, that this Section 4.4(g) will not prohibit Buyer from placing any general solicitation to the public and hiring individuals who respond to such solicitation.

(h) Subject to applicable Law, for a period of two years following Closing, neither Wolverine nor any of its Affiliates will, directly or indirectly: (i) solicit or hire any then-current employee of Buyer or its Affiliates who was a Transferred Employee or any Transferred Employee that was an employee of Buyer or its Affiliates in the six-month period preceding such solicitation or hiring, in each case, at the Vice President level or above, or (ii) induce any then-current employee of Buyer or its Affiliates who was a Transferred Employee, at the Vice President level or above, to leave his or her employment with Buyer or any such Affiliate; *provided*, that this Section 4.4(h) will not prohibit Wolverine from placing any general solicitation to the public and hiring individuals who respond to such solicitation.

**Section 4.5 Records Retention.** After Closing, Buyer will retain until the seventh anniversary of the Closing Date the books and records of each applicable Seller Party included among the Purchased Assets and relating to pre-Closing periods. Upon reasonable notice, and at Wolverine's expense, Buyer will provide Wolverine and its Representatives with reasonable access (including the right to make copies) during normal business hours to such pre-Closing books and records reasonably required in anticipation of, preparation for, or the prosecution or defense of existing or future claims or actions, Tax Returns or other matters in which Buyer, on the one hand, and the Seller Parties, on the other hand, do not have any adverse interest or which are not otherwise protected by attorney-client privilege; *provided that* any such access does not unreasonably interfere with the normal operations of the Business.

#### **Section 4.6 Certain Tax Matters.**

##### **(a) Tax Returns.**

(i) Except as provided in (d) with respect to Transfer Taxes, Wolverine will prepare or cause to be prepared all Tax Returns with respect to the Purchased Assets for any Pre-Closing Tax Period.

(ii) Buyer will prepare or cause to be prepared and file or cause to be filed all Tax Returns attributable to the Purchased Assets filed after the Closing Date.

(iii) Any and all Tax deductions that would be reported on the Tax Returns in respect of a Pre-Closing Tax Period, and in respect of, or that are attributable to, any of the following will be treated as occurring on or prior to the Closing Date and be reported in the taxable period (or portion thereof) ending on the Closing Date: (A) any and all Seller Transaction Expenses (including amounts that would be Seller Transaction Expenses except for the fact that such expenses were paid prior to Closing); and (B) any and all other amounts paid by the Seller Parties with respect to the transactions contemplated by the Transaction Documents.

(iv) After Closing, Buyer will not, without the prior written consent of Wolverine, which will not be unreasonably withheld, conditioned or delayed agree to (A) waive or extend the statute of limitations relating to any Taxes attributable to the Purchased Assets for any Pre-Closing Tax Period, or (B) make or initiate any voluntary contact with a Governmental Body (including any voluntary disclosure agreement or similar process) for any Pre-Closing Tax Period with respect to any Purchased Assets.

(b) Cooperation. The Parties will, and will cause their respective Affiliates and Representatives to, provide each other with such assistance as may reasonably be requested in connection with the preparation and filing of any Tax Return relating to the transactions contemplated by this Agreement (including signing any Tax Return), or any audit or other examination by any Taxing Authority. Such assistance will include making employees available on a mutually convenient basis to provide additional information or explanation of material provided hereunder and will include providing copies of relevant Tax Returns and supporting material. The Parties and their respective Affiliates will retain for the full period of any statute of limitations plus 60 days, and upon reasonable request will provide the other Parties with, any records or information which may be relevant to such preparation, audit, examination, Proceeding or determination.

(c) Audits. If any Taxing Authority issues to Buyer or any of its Affiliates a written notice of its intent to audit, examine or conduct a Proceeding, a written notice of its determination of an objection to an assessment solely with respect to Taxes or Tax Returns with respect to the Purchased Assets for a Pre-Closing Tax Period (a "**Tax Claim**"), Buyer will give prompt notice to Wolverine of such Tax Claim following receipt; *provided, however*, that the failure to timely notify Wolverine will not relieve any Seller Party from Liability pursuant to Article 7 except to the extent such Seller Party is materially prejudiced as a consequence of such failure. Wolverine at its expense will control any Tax Claim with respect to the Purchased Assets for Pre-Closing Tax Periods ("**Seller Tax Claims**"); *provided, however*, that Wolverine will keep Buyer reasonably informed regarding the progress and substantive aspects of any Seller Tax Claim and Buyer will be entitled at their expense to participate in any Seller Tax Claim. Neither Wolverine nor any Affiliate will enter into any settlement of, or otherwise compromise, any such Seller Tax Claim without the prior written consent of Buyer, which consent will not be unreasonably withheld, delayed or conditioned. If Wolverine declines to exercise its control rights with respect to a Seller Tax Claim that Wolverine is entitled to control pursuant to this Section, Buyer, at Wolverine's expense, will control such Tax Claim ("**Buyer Tax Claim**") and will keep Wolverine reasonably informed regarding the progress and substantive aspects of any Buyer Tax Claim and Wolverine will be entitled at their own expense to participate in any Buyer Tax Claim. Buyer will not enter



into any settlement of, or otherwise compromise, any Tax Claim, without the prior written consent of Wolverine, which consent will not be unreasonably withheld, delayed or conditioned.

(d) Transfer Taxes. Any transfer, documentary, sales, use, excise, stamp, registration, filing, recordation, valued-added and other similar Taxes and fees (“**Transfer Taxes**”) that may be imposed or assessed as a result of the transfer of the Purchased Assets, together with any interest, additions or penalties with respect thereto, and any interest in respect of such additions or penalties, will be borne 50% by Buyer and 50% by Wolverine, and will be paid to the appropriate Taxing Authority promptly when due by the Person having the obligation to pay such Transfer Tax under applicable Law. Any Transfer Tax returns required to be filed in connection with the transfer of the Purchased Assets will be prepared by the Party having the obligation to do so under applicable Law. The Parties will reasonably cooperate with each other to apply for any exemption, mitigation or reduction in Taxes, and will reasonably assist the other to meet their respective obligations. Buyer and the Seller Parties will indemnify each other for any payments or remittances made by the other that are the obligation of such Party under this Section 4.6(d).

(e) Procedures. Notwithstanding any other provision of this Agreement, any dispute, controversy or claim arising out of or relating to this Section 4.6(e) (a “**Tax Dispute**”) that the Seller Parties and Buyer, using commercially reasonable efforts, are not able to resolve through direct good-faith negotiation, will be resolved in accordance with the procedures set forth in this Section 4.6(e). If there has been no resolution of such Tax Dispute after direct negotiation, then any Party may seek resolution of the Tax Dispute through binding arbitration administered by tax experts of the Accounting Firm, who will be jointly retained by Buyer and Wolverine. Buyer and Wolverine will promptly execute any reasonable agreement required by the Accounting Firm for its engagement hereunder. The Accounting Firm will be instructed to resolve the Tax Dispute in accordance with this Section 4.6 and such resolution will be: (i) set forth in writing and signed by the Accounting Firm; (ii) delivered to each Party as soon as practicable after the Tax Dispute is submitted to the Accounting Firm but no later than the 20th day after the Accounting Firm is instructed to resolve the Tax Dispute; (iii) made in accordance with this Agreement; and (iv) final, binding and conclusive on each Party. The Accounting Firm will act as an expert and not an arbitrator and will exercise its discretion independently to resolve only the disputed items, but within the range of the differences between the Parties. Each Party will provide the Accounting Firm with all books and records in its possession relevant to the determinations to be made by it. No Party will (and each Party will cause its Affiliates and Representatives not to) meet or discuss any substantive matters with the Accounting Firm without the other Party and its Representatives present or having the opportunity following at least three Business Days’ written notice to be present, either in person or by telephone. The Accounting Firm will have the power to require a Party to provide to it such books and records and other information it deems relevant to the resolution of the Tax Dispute, and to require a Party to answer questions that it deems relevant to the resolution of the Tax Dispute. All books and records and other information (including answers to questions from the Accounting Firm) submitted to the Accounting Firm must be concurrently delivered to the other Party. All disputes with respect to any Tax Dispute will be resolved exclusively by the Accounting Firm. The Accounting Firm will allocate its fees and expenses to the respective Parties based on the inverse of the percentage that the Accounting Firm’s resolution of the disputed items (before such allocation) bears to the total amount of the disputed items as originally submitted to the Accounting Firm. For example, should the total amount of the disputed items as originally submitted to the Accounting Firm equal \$1,000 and the Accounting Firm

awards \$600 in favor of Wolverine's position, 60% of the fees and expenses of the Accounting Firm would be borne by Buyer and 40% of the fees and expenses of the Accounting Firm would be borne by Wolverine.

(f) **Purchase Price Allocation.** The sum of the Purchase Price and any other applicable amounts required to be included under the Code will be allocated among the Purchased Assets in accordance with the methodology set forth on Exhibit 4.6(f). Within 60 days after Closing, Buyer will deliver to Wolverine a draft of such allocation for Wolverine's review and approval, which will be prepared on a basis consistent with the methodology set forth on Exhibit 4.6(f). Within 15 days thereafter, Wolverine will deliver either a notice accepting the allocation prepared by Buyer or a statement setting forth in reasonable detail any objections thereto. If Wolverine timely delivers a statement setting forth objections in accordance with the previous sentence, Buyer and Wolverine will use their respective good faith efforts to resolve such objections. If Buyer and Wolverine are unable to mutually agree on the allocation relating to the Purchased Assets the procedures of Section 4.6(e) will control. If Wolverine accepts the allocation prepared by Buyer (or does not within the 15 day period described above deliver a statement setting forth in reasonable detail any objections as described above), such allocation will be binding on the Parties without further adjustment. No Party or any Affiliate of any Party will take a position on any Tax Return that is in any manner inconsistent with the allocation as finally determined under this Section 4.6(f) without the written consent of the other Parties or unless specifically required pursuant to a determination by the applicable Taxing Authority. The Parties will promptly notify each other of the existence of any Tax Proceeding related to any allocation hereunder.

**Section 4.7 Seller Parties' Representative.** Wolverine will act as a representative of each of the other Seller Parties and is authorized to do on behalf of each other Seller Party any and all things, including executing any and all documents, which it deems necessary, convenient or appropriate to facilitate the consummation of the transactions contemplated by this Agreement and the other Transaction Documents, including: (a) receiving and disbursing payments to be made hereunder; (b) receiving notices and communications pursuant to this Agreement and the other Transaction Documents; (c) administering this Agreement and the other Transaction Documents, including the initiating and resolving of any disputes or claims; (d) agreeing to amendments of, or waivers of conditions and obligations under, this Agreement and the other Transaction Documents; and (e) taking any other actions on behalf of such other Seller Party under this Agreement and the other Transaction Documents. A decision, act, consent or instruction of Wolverine hereunder will constitute a decision, act, consent or instruction of all the Seller Parties (as applicable) and will be final, binding and conclusive upon each Seller Party, and Buyer may rely upon any such decision, act, consent or instruction of Wolverine as being the decision, act, consent or instruction of each and every such Seller Party. Buyer will be relieved from any liability to any Person for any acts done by it in accordance with such decision, act, consent or instruction of Wolverine. Any payment made by any of Buyer to Wolverine will be deemed to satisfy a payment obligation towards any of the Seller Parties.

**Section 4.8 Misdirected Payments and Assets.** From and after Closing, if any Party or any of its Affiliates receives payment from any Person that should have been made to another Party or any Affiliate of such other Party, the applicable Party will cause the Person receiving such payment to remit or transfer the same to the intended beneficiary under this Agreement no less frequently than monthly.

Section 4.9 **International Trade Matters**. As of the Closing and thereafter, Buyer will be, pursuant to approval by U.S. Customs and Border Protection, registered as a zone user in any Seller Party's (or any Affiliate's) foreign trade zone in which any Purchased Assets constituting products and merchandise are located ("FTZ") including a zone user with regards FTZ 0290010A5 operated by Wolverine (the "**FTZ 0290010A5 Permit**"). Each applicable Seller Party will remain the zone operator. Buyer will be registered as a zone user until all such products and merchandise that have been directed for shipment to the FTZ have been delivered to Buyer's custody. Any liability arising from the FTZ operations will be a liability of the applicable Seller Party and regarded as an Excluded Liability hereunder, and each applicable Seller Party will maintain any required FTZ bonds. The applicable Seller Party will have responsibility for entering such goods as importer of record for consumption in the United States. Each applicable Seller Party will make goods available for pick up by Buyer with all customs duties and fees already paid in accordance with and as described in the TSA. Further, each applicable Seller Party agrees that if any of its Purchased Assets constituting products and merchandise are detained or seized by U.S. Customs and Border Protection or other Governmental Body within six months of Closing or that were manufactured in whole or part prior to Closing, such Seller Party will promptly cooperate with Buyer in responding to the Proceeding and will produce supply chain documentation required in order to release such products or merchandise. Each applicable Seller Party will further be responsible for assisting in import and export compliance obligations relating to the Business and responding to inquiries from any Governmental Body in relation to the operation of the Business under the TSA during the term of the TSA.

Section 4.10 **Confidentiality**.

(a) From and after Closing until the date that is five years after Closing, Wolverine will, and will cause its Affiliates to, keep confidential and not use any non-public information included among or relating to the Purchased Assets other than for purposes contemplated herein or by the ABG Transaction, including in connection with satisfying its obligations, enforcing its rights and defending against any claim under this Agreement or another Transaction Document; *provided, however*, that Wolverine and its Affiliates will not be liable hereunder with respect to any disclosure to the extent such disclosure is required by any applicable Law or Order, including applicable rules of any securities exchange. In the event that Wolverine or any of its Affiliates is required by any applicable Law or Order to disclose any such non-public information, Wolverine will (i) to the extent practicable and permissible by such applicable Law or Order, provide Buyer with prompt written notice of such requirement, (ii) disclose only that information that Wolverine determines (with the advice of counsel) is required by Law or Order to be disclosed, and (iii) use commercially reasonable efforts to preserve the confidentiality of such non-public information, including by, at Buyer's request, reasonably cooperating with Buyer in its efforts to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded such non-public information (at the requesting Buyer's sole cost and expense). Notwithstanding the foregoing, non-public information will not include information that (A) is or becomes available to the public after Closing other than as a result of a disclosure by Wolverine or its Affiliates in breach of this Section 4.10 or (B) becomes available to Wolverine or its Affiliates after Closing from a source other than Buyer or its Affiliates if the source of such information is not known (after reasonable inquiry) by Wolverine to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Buyer or its Affiliates with respect to such information.

(b) From and after Closing until the date that is five years after Closing, Buyer will, and will cause its Affiliates to, keep confidential and not use any non-public information of Wolverine or its Affiliates that is not related to the Business. In the event that Buyer or any of its Affiliates is required by any applicable Law or Order to disclose any such non-public information, Buyer will (i) to the extent practicable and permissible by Law or Order, provide Wolverine with prompt written notice of such requirement, (ii) disclose only that information that Buyer determines (with the advice of counsel) is required by Law or Order to be disclosed, and (iii) use commercially reasonable efforts to preserve the confidentiality of such non-public information, including by, at Wolverine's request, reasonably cooperating with Wolverine to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded such non-public information (at Wolverine's sole cost and expense). Notwithstanding the foregoing, such non-public information will not include information that (A) is or becomes available to the public after Closing other than as a result of a disclosure by Buyer or its Affiliates in breach of this Section 4.10, (B) becomes available to Buyer or Affiliates from a source other than Wolverine, its Affiliates or any Transferred Employee, if the source of such information is not known (after reasonably inquiry) by Buyer or its Affiliates to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, Wolverine or its Affiliates with respect to such information, or (C) is independently developed by Buyer or its Affiliates without breach of this Section 4.10, as shown by reasonable documentary evidence.

#### Section 4.11 **Landlord Consents**

(a) From the Closing Date until the date which is 150 days following the Closing Date, Wolverine and Buyer will exercise their respective commercially reasonable efforts to obtain, with respect to each Store Lease, the consent of the applicable landlord (in form reasonably acceptable to Wolverine and Buyer) to assign such Store Lease to the Buyer or to grant Buyer a sublease with respect thereto (with respect to each Store Lease, a "**Landlord Consent**"); *provided, however*, that if Wolverine or an Affiliate has provided a guarantee with respect to such Store Lease, Buyer will or will cause one of its Affiliates to provide a reasonably similar guarantee, with Wolverine indemnifying the party providing such guarantee with respect to Liabilities arising prior to the Closing Date (the "**Backstop Guarantee**") and Wolverine will obtain the release from the applicable landlord of any current guarantor under such Store Lease. The Parties agree that in the event any Landlord Consent imposes any material modification of the rights and obligations of the tenant or subtenant (as applicable) as compared to those rights and obligations currently embodied in such Store Lease, neither Party shall execute such Landlord Consent without the prior written consent of the other Party, not to be unreasonably withheld, conditioned or delayed. For purposes of the foregoing sentence, a "material modification" of a right or obligation means (i) an increase in rent (fixed or additional) or other monetary obligations, in either case, except an increase of less than two and a half (2.5%) percent of the annual obligations required to be paid under the applicable Store Lease or to the extent reimbursed by Wolverine in its sole discretion; (ii) any requirement of a fee as a condition to obtaining Landlord Consent, except to the extent to be reimbursed by Wolverine in its sole discretion; (iii) any requirement of a security deposit, except to the extent to be reimbursed by Wolverine in its sole discretion (any such amount to be repaid to Wolverine at the termination of the applicable Store Lease); (iv) any change in the then-current term; (v) a material reduction of any extension or renewal rights set forth in the applicable Store Lease; (vi) any restriction which would prohibit the use of the Store for the purposes of conducting the Business as currently conducted; (vii) any requirement of a standby letter of credit, other than

in replacement of a standby letter of credit currently in effect with relation to the applicable Store Lease and on substantively the same terms, unless provided by Wolverine in its sole discretion;

(viii) any requirement to renovate all or any portion of the leased premises, unless the costs of such renovation are to be reimbursed by Wolverine in its sole discretion; (ix) any requirement to relocate the leased premises (whether within the same property group or otherwise); and (x) any other modification the Parties agree in writing constitutes a “material modification” for purposes of the foregoing sentence.

(b) In the event that a mutually acceptable Landlord Consent is not obtained with respect to any Store Lease, the provisions of Section 1.8 shall apply *mutatis mutandis*. If necessary, each Party will designate a senior officer in an attempt to arrive at a reasonable accommodation under Section 1.8.

(c) In the event that a mutually acceptable Landlord Consent is not obtained with respect to any Store Lease, and the Parties, acting reasonably and in good faith, cannot agree to another commercially reasonable alternative under Section 1.8, the Parties will amend the TSA to provide that Wolverine will operate the applicable Store through the remainder of the current term for the benefit of Buyer, with Buyer being responsible for all Liabilities and results of operations arising from or relating to the operation of such Store as if Landlord Consent had been timely obtained (but excluding any Liabilities which are imposed by the applicable landlord due to the failure to obtain such Landlord Consent and which would not have been incurred had the lease been assigned to Buyer following receipt of a Landlord Consent).

#### Section 4.12 **Sell-Off**.

(a) Prior to (i) July 31, 2024, with respect to Retained Sell-Off Products located in, or which are destined for sale in, the European Union or Mexico, (ii) 120 days following the Closing Date, with respect to Retained Sell-Off Products located in the Excluded Stores (other than the Howell, MI or Omaha, NE Excluded Stores), (iii) the earlier of (x) thirteen-month anniversary of the Closing Date or (y) the achievement of the kick out, sales termination right or other similar period provided for under the applicable Store Lease, with respect to Retained Sell-Off Product located at the Howell, MI and Omaha, NE Excluded Stores, or (iv) the date set forth on Exhibit 8.8, with respect to Retained Sell-off Products located at the applicable Excluded Closing Store (as applicable, the “**Sell-Off Period**”), Wolverine and its Affiliates shall be permitted to sell-off the Retained Sell-Off Products on a royalty-free basis; *provided*, that, (I) in the case of clause (i), such Retained Sell-Off Products may be sold solely in the countries that comprise the European Union, and (II) in the case of clauses (ii)-(iv), such Retained Sell-Off Products may be sold solely at the applicable Excluded Store or Excluded Closing Store. Following the expiration of the applicable Sell-Off Period, Seller Parties and their Affiliates shall not be permitted to sell any Sperry-branded products in any jurisdiction. Notwithstanding the foregoing, both during and following the term of the TSA, Buyer shall have sole discretion as to the stock availability and selection for any replenished products offered for sale to Wolverine in accordance with this Section 4.12. At the end of the applicable Sell-Off Period set forth in clauses (ii), (iii) or (iv) above, any remaining Sperry-branded product will be repurchased by Buyer at the cost of goods paid by Wolverine and transferred, at Wolverine’s expense, to a destination of Buyer’s choosing.

(b) Following Closing, Buyer will sell to Wolverine (in accordance with Buyer's practices as operators of the Business), for resale (and Buyer consents to such resale) in the Howell, MI and Omaha, NE Excluded Stores, replenishment product at the price paid for such product by Buyer at Closing, plus freight, plus handling (only for the period following the term of the TSA), during the period set forth in clause (a)(iii) above. No handling charges will be payable under the TSA with respect to such inventory for the entirety of the term of the TSA, *provided*, however that following the term of the TSA, all handling charges for any Retained Sell-Off Products sold at an Excluded Store shall be added to the cost for any such replenishment product to be borne by Wolverine.

(c) Following Closing, Buyer will sell to Wolverine (in accordance with Buyer's practices as operators of the Business), for resale (and Buyer consents to such resale) in the Excluded Closing Stores, (i) during the term of the TSA, replenishment product at the price paid for such product by Buyer at Closing, plus extraction, plus freight, plus handling, plus a fifteen percent (15%) mark-up, during the period set forth in clause (a)(iv) above, to be due and payable at the end of each Fiscal Period (as defined in, and in accordance with, the TSA), and (ii) following expiration of the TSA term, replenishment product at the price paid for such product by Buyer at Closing, plus extraction, plus freight, plus handling at \$2.30 per unit, plus a fifteen percent (15%) mark-up, during the period set forth in clause (a)(iv) above, to be due and payable by Wolverine net ten (10) days after receipt of the applicable invoice.

#### Section 4.13 **Identified Defective Products**

(a) Wolverine will, and will cause the Seller Parties and any of Wolverine's or their respective Affiliates to, agree and undertake that any and all Identified Defective Products (including any products returned after the Closing Date that have manufacturing defects) will either be destroyed by Wolverine or an Affiliate thereof or returned to the manufacturer of such products either for disposal and destruction or for the purpose of being reworked into "first quality" products. Upon the return of any Identified Defective Products to a manufacturer, title to such product shall transfer to the manufacturer such that any "first quality product" created from an Identified Defective Products shall be owned free and clear by such manufacturer (and ownership thereof or any rights thereto shall not revert to Wolverine or the respective Affiliate).

(b) Without the prior written consent of Buyer, Wolverine will not, and will cause the Seller Parties and any of Wolverine's or their respective Affiliates not to, sell, transfer, or otherwise distribute any Identified Defective Products to any Person (other than a transfer to the manufacturer of such product for destruction or reworking into "first quality" products).

Section 4.14 **Re-Banner**ing. Within 120 days of the Closing, with respect to the Excluded Stores other than the Howell, MI and the Omaha, NE Excluded Stores, Wolverine will re-banner or cause to be re-bannered the Excluded Stores, and within thirteen months following the Closing Date, with respect to the Howell, MI and the Omaha, NE Excluded Stores, Wolverine will re-banner or cause to be re-bannered such Excluded Stores, in each case, to eliminate any reference to Sperry. For avoidance of doubt, Wolverine and its Affiliates will have the right to operate the Excluded Stores under the Sperry banner through the applicable periods.

**ARTICLE 5**  
**[RESERVED]**

**ARTICLE 6**  
**[RESERVED]**

**ARTICLE 7**  
**INDEMNIFICATION**

Section 7.1 **Survival**. The right to seek indemnification in connection with the breach of representations and warranties contained in this Agreement will survive until the 12-month anniversary of the Closing Date (the “**General Survival Period Expiration Date**”) and will terminate on such date, except to the extent that any claims for indemnification in respect of a breach of any such representation or warranty is made on or before such General Survival Period Expiration Date, in which case such representation or warranty will survive, solely with respect to any pending claims until the resolution of such claim. Notwithstanding anything herein to the contrary (including the preceding sentence), with respect to claims resulting from, arising out of, or connected with the Seller Fundamental Representations or the Buyer Fundamental Representations, the right to seek indemnification will survive the Closing Date until the date that is 90 days after the expiration of the applicable statute of limitations with respect to the matters contained therein, and will terminate on such date, except that any representation and warranty that is the subject of a pending claim will survive, solely with respect to such claim, until the resolution of such claim.

Section 7.2 **Indemnification**.

(a) Following Closing, the Seller Parties, jointly and severally, will indemnify and defend Buyer and its Affiliates and their respective owners, officers, directors, managers, employees, agents, Representatives, successors and authorized assigns (the “**Buyer Indemnified Parties**”) for, and save and hold each of them harmless against, and will pay and reimburse each of them for, any Adverse Consequence suffered or sustained, directly or indirectly, as a result of, arising out of, or connected with:

- (i) any inaccuracy in or breach of any representation or warranty made by the Seller Parties in this Agreement (other than the Seller Fundamental Representations);
- (ii) any inaccuracy in or breach of any Seller Fundamental Representation;
- (iii) any breach or non-fulfillment of any covenant or obligation of Wolverine or any of the other Seller Parties in this Agreement;
- (iv) any and all Taxes of any Seller Party for any Tax period, and any and all Transfer Taxes for which the Seller Parties are responsible pursuant to Section 4.6(e);
- (v) the Identified Defective Products, including any breach or inaccuracy in the representations and warranties made under Section 2.4(a) or any breach or violation of, or failure to fully perform, any covenant, agreement, undertaking or obligation made pursuant to Section 4.13; and

(vi) any Excluded Assets or any Excluded Liabilities.

(b) Following Closing, Buyer will indemnify and defend each Seller Party and each of their respective Affiliates and their respective owners, officers, directors, managers, employees, agents, Representatives, successors and authorized assigns (the “**Seller Indemnified Parties**”) for, and save and hold each of them harmless against, and will pay and reimburse each of them for, any Adverse Consequence suffered or sustained, directly or indirectly, as a result of or arising out of:

(i) any inaccuracy in or breach of any representation or warranty made by Buyer in this Agreement Buyer (other than the Buyer Fundamental Representations);

(ii) any inaccuracy or breach of any Buyer Fundamental Representation;

(iii) any breach or non-fulfillment of any covenant or obligation of Buyer in this Agreement; and

(iv) any Assumed Liability.

Section 7.3 **Limitations**. The indemnification provided for in Section 7.2 will be subject to the following limitations:

(a) The Seller Parties will not be liable to the Buyer Indemnified Parties with respect to claims made pursuant to Section 7.2(a)(i) until the aggregate amount of all Adverse Consequences subject to indemnification under Section 7.2(a)(i) exceeds one percent of the Purchase Price, as finally determined in accordance with Section 1.4 (without taking into account any adjustment to the Purchase Price under the last sentence of Section 7.4(f)) (the “**Basket**”), in which case the Seller Parties will be liable for all Adverse Consequences in excess thereof; *provided, however*, that with respect to the Seller Parties’ indemnification obligations under Section 7.2(a)(i), the Seller Parties will not be liable for any individual Adverse Consequences which do not exceed \$20,000 (the “**Mini-Basket**”) and such Adverse Consequences will not be taken into account for purposes of determining whether the Basket has been exceeded. With respect to claims made pursuant Section 7.2(a)(i), except in respect to claims arising from Fraud, the aggregate amount of all Adverse Consequences for which the Seller Parties will be liable will not exceed 12.5% of the Purchase Price, as finally determined in accordance with Section 1.4 (without taking into account any adjustment to the Purchase Price under the last sentence of Section 7.4(f)).

(b) Except with respect to claims (i) made pursuant to Section 7.2(a)(iv) through Section 7.2(a)(vi), or (ii) for Fraud, the aggregate amount of all Adverse Consequences for which the Seller Parties will be liable under Section 7.2(a) will not exceed an amount equal to the Purchase Price.

(c) Each Party will use commercially reasonable efforts to mitigate Adverse Consequences subject to indemnification under this Article 7.

(d) Each Party will use its commercially reasonable efforts to seek recovery under available insurance policies, indemnity, contribution or reimbursement Contracts or other rights



of recovery for any Adverse Consequence subject to indemnification under this (collectively, “**Alternative Arrangements**”). The amount of Adverse Consequences that an Indemnified Party will be entitled to recover will be calculated net of amounts recovered by the Indemnified Party under any Alternative Arrangements, net of reasonable costs and expenses incurred by the Indemnified Party in obtaining such recovery. In the event that any amounts are recovered by any Indemnified Party for Adverse Consequences previously indemnified under this Article 7, then the Indemnified Party will promptly refund to the Indemnifying Party an amount equal to the lesser of: (i) the aggregate amount recovered (net of all costs of recovery), and (ii) the aggregate amount previously paid to the Indemnified Party by the Indemnifying Party pursuant to this in respect of such Adverse Consequences.

(e) The amount of Adverse Consequences that an Indemnified Party will be entitled to recover under this Article 7 will be determined without duplication of recovery by reason of the state of facts giving rise to such Adverse Consequences constituting a breach of more than one representation, warranty, covenant or agreement.

(f) For purposes of this Article 7 (including for purposes of determining the existence of any inaccuracy in, or breach of, any representation or warranty and for calculating the amount of any Adverse Consequence resulting therefrom), any inaccuracy in or breach of any representation or warranty will be determined without regard to any materiality or other similar qualification contained in or otherwise applicable to such representation or warranty, other than for purposes of determining items required to be scheduled in Article 2 or Article 3, in each case, to which this Section 7.3(f) will not apply.

(g) Buyer Indemnified Parties may seek indemnification payments with respect to claims made in accordance with this Article 7 either (i) directly from Seller Parties, or (ii) by way of set-off against amounts otherwise owed to Wolverine or its Affiliates under the TSA; *provided, however*, that if such set-off, in whole or in part, is ultimately determined to be unjustified or improper, any amount improperly set-off will be paid by Buyer to Wolverine, along with all of Wolverine’s legal reasonable and documented fees and expenses incurred in contesting such set-off, within three Business Days following such determination.

#### Section 7.4 **Indemnification Procedures**.

(a) Promptly after receipt by a Person entitled to be indemnified under this Article 7 (an “**Indemnified Party**”) of notice of the commencement of a Proceeding by a third party (including a Governmental Body) against it (a “**Third-Party Proceeding**”), the Indemnified Party will, if a claim for indemnification is to be made against a Party under this Article 7 (an “**Indemnifying Party**”), give prompt written notice to the Indemnifying Party of the commencement of such Third-Party Proceeding for which indemnification may be sought: (i) describing in reasonable detail the nature of and basis for the claim; (ii) stating the estimated amount thereof (if then known and quantifiable) and describing in reasonable detail the basis on which such amount was calculated; and (iii) identifying the provisions of this Agreement upon which indemnification for the claim is based. Except as provided in Section 7.1, the failure to timely notify the Indemnifying Party or provide the information described above will not relieve the Indemnifying Party of any Liability or obligation that the Indemnifying Party may have to an Indemnified Party except to the extent that such failure actually prejudices the Indemnifying Party.

(b) The Indemnifying Party(ies) will be entitled to participate in a Third-Party Proceeding with respect to which indemnification has been sought hereunder and, to the extent that the Indemnifying Party wishes, to assume the defense of such Third-Party Proceeding (with counsel of its choice that is reasonably satisfactory to the Indemnified Party(ies); *provided, however*, that the Indemnifying Party will not be required to pay for more than one such counsel (in addition to local counsel, as applicable) for all Indemnified Parties in connection with any single Third-Party Proceeding) by notifying the Indemnified Party(ies) of its election to do so within 30 days after receipt of notice of the applicable claim from the Indemnified Party(ies); *provided, however*, that the Indemnifying Party will not be permitted to assume the defense of a Third-Party Proceeding if: (i) such Third-Party Proceeding seeks as a primary remedy an injunction or other equitable relief (or any relief other than monetary damages) against the Indemnified Party or any of its Affiliates that the Indemnified Party reasonably determines cannot be separated from any related claim for monetary damages or a finding or admission of a violation of Law by the Indemnified Party or any of its Affiliates; (ii) in the reasonable opinion of counsel to the Indemnified Party there are bona fide defenses available to the Indemnified Party that may not be asserted by the Indemnifying Party or there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived; (iii) if a Seller Indemnified Party is entitled to indemnification, to the extent related to any business of the Seller Parties or their Affiliates other than the Business; (iv) the Indemnified Party reasonably believes would be materially detrimental to, or materially injure, the Business or the reputation or future business prospects of the Business or Indemnified Party if an adverse determination were rendered with respect thereto; or (v) such Third-Party Proceeding relates to or arises in connection with any criminal or quasi-criminal Proceeding, indictment or allegation. Following an assumption of defense of a Third-Party Proceeding by an Indemnifying Party, the Indemnified Party will have the right to participate in the defense of such Third-Party Proceeding with counsel selected and paid for by it subject to the Indemnifying Party's right to control the defense thereof and the Indemnifying Party will have no further responsibility for any fees of legal counsel or other expenses subsequently incurred by the Indemnified Party in connection with such Proceeding. If an Indemnifying Party assumes the defense of a Third-Party Proceeding, no compromise or settlement of the underlying claims may be effected by it without the Indemnified Party's consent (which will not be unreasonably withheld, delayed or conditioned), unless: (1) the sole relief provided is monetary damages that are paid in full or otherwise provided for by the Indemnifying Party concurrently with the compromise or settlement; (2) such compromise or settlement provides for a complete release from Liabilities of the Indemnified Parties with respect to the claim(s) asserted against the Indemnified Parties in the applicable Third-Party Proceeding; (3) such compromise or settlement contains no finding or admission of a violation of Law or wrongdoing on the part of the Indemnified Parties or any of their Affiliates; and (4) such settlement or judgment does not create an Encumbrance on any asset of the Indemnified Party or otherwise adversely affect, in any material respect, the use of the Purchased Assets or results in injunctive or other equitable relief of any nature imposed against any Indemnified Party or with respect to the Purchased Assets. If the Indemnifying Party elects not to compromise or defend a Third-Party Proceeding, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defense of such Third-Party Proceeding, the Indemnified Party may, subject to the following sentence, pay, compromise, defend such Third-Party Proceeding and seek indemnification for any and all indemnifiable Adverse Consequences resulting or arising from such Third-Party Proceeding. Whether or not an

Indemnifying Party assumes the defense of a Third-Party Proceeding, the Indemnified Party will not settle such proceeding without the prior written consent of the Indemnifying Party (which will not be unreasonably withheld, delayed or conditioned); *provided, however*, that the Indemnified Party will have the right to settle any such proceeding without the prior written consent of the Indemnifying Party if the Indemnified Party first waives any right to indemnity under this Agreement with respect to such proceeding or any related claim.

(c) Assumption of the defense of a Third-Party Proceeding by an Indemnifying Party will not constitute an admission of responsibility to indemnify or in any manner impair or restrict that Indemnifying Party's right to defend a claim by the Indemnified Party for indemnification with respect to such Third-Party Proceeding. If an Indemnifying Party timely elects to assume the defense of a Third-Party Proceeding but subsequently determines in good faith that indemnification with respect to such proceeding is not required under this Article 7, such Indemnifying Party may elect to transfer the defense back to the Indemnified Party with the Parties to act in good faith to effect such transfer in a manner that would not materially prejudice the rights of the Indemnified Party. If the Indemnifying Party elects to transfer the defense back to the Indemnified Party, it will be reimbursed by the Indemnified Party for its costs and expenses incurred in connection with the transferred matter.

(d) Each Party will make available to each other Party and such other Party's Representatives its books and records and, as applicable, employees relating to a Third-Party Proceeding as may be reasonably requested by such other Party, and each Party will reasonably cooperate to help insure the proper and adequate defense of such Third-Party Proceeding.

(e) A claim for indemnification for any matter not involving a Third-Party Proceeding must be asserted by written notice to the Indemnifying Party: (i) describing in reasonable detail the nature of and the underlying basis for such claim; (ii) stating the estimated amount thereof (if then known and quantifiable) and describing in reasonable detail the basis on which such amount was calculated; and (iii) identifying the provisions of this Agreement upon which such claim is based. The failure to timely notify the Indemnifying Party or provide the information described above will not relieve the Indemnifying Party of any liability that the Indemnifying Party may have to an Indemnified Party except to the extent that the Indemnifying Party is actually prejudiced by the Indemnified Party's failure to provide timely notice or such information.

(f) The Indemnifying Party will pay to the Indemnified Party the amount of any Adverse Consequence for which it is liable hereunder in immediately available funds to an account specified by the Indemnified Party no later than five Business Days following (a) an agreement between the Parties with respect to such Adverse Consequence and the Indemnifying Party's liability therefor or (b) a final and non-appealable Order by a court of competent jurisdiction with respect to such Adverse Consequence and the Indemnifying Party's liability therefor. Any payment of a claim for indemnification under this Article 7 will be accounted for as an adjustment to the Purchase Price for all Tax purposes to the extent permitted by applicable Law.

(g) Notwithstanding any other provision of this Agreement, the control of any Tax Claim will be governed exclusively by Section 4.6(c).

(h) Except for claims for Fraud or a Party's right to seek specific performance or other equitable relief pursuant to Section 9.12, following Closing, this Article 7 constitutes the sole and exclusive remedy of the Buyer Indemnified Parties and the Seller Indemnified Parties with respect to any matters arising under or with respect to this Agreement or the transactions contemplated hereby.

#### Section 7.5 **Acknowledgments.**

(a) The Parties agree that the limits imposed on the Buyer Indemnified Parties' remedies with respect to this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby were specifically bargained for between sophisticated parties and were specifically taken into account in determining amounts to be paid to the Seller Parties hereunder or under another Transaction Document.

(b) Buyer, on its own behalf and on behalf of the Buyer Indemnified Parties, acknowledges and agrees that (i) none of the Seller Related Persons or any Person acting on their respective behalf makes or has made any representation or warranty, express or implied, in respect of the Business, any of their respective assets, Liabilities or operations or the transactions contemplated by this Agreement or another Transaction Document, other than the Express Representations, each as qualified by the Disclosure Schedule, and (ii) neither Buyer, another Buyer Indemnified Party nor any other Person has relied upon or been induced by the accuracy or completeness of any express or implied representation, warranty, statement or information of any nature made or provided by any Person (including in any data room, confidential information memorandum, management presentation or projections) on behalf of any Seller Related Person or any Person acting on their respective behalf, other than the Express Representations, each as qualified by the Disclosure Schedule. In addition, Buyer, on its own behalf and on behalf of the other Buyer Indemnified Parties, waives all rights and claims it or they may have against any Seller Related Person and any Person acting on their respective behalf with respect to the accuracy of, any omission or concealment of, or any misstatement with respect to, any potentially material information regarding the Business, any Purchased Asset or the transactions contemplated by this Agreement or other Transaction Document, except as expressly set forth in the Express Representations, each as qualified by the Disclosure Schedule. EXCEPT FOR THE EXPRESS REPRESENTATIONS, NONE OF THE SELLER RELATED PERSONS OR ANY PERSON ACTING ON THEIR RESPECTIVE BEHALF MAKES OR PROVIDES, EACH SELLER PARTY DISCLAIMS AND BUYER HEREBY WAIVES, ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR CONDITION OF ANY PURCHASED ASSET OR ANY PART THEREOF. In connection with Buyer's investigation of the Business, Buyer has received, may have received or may in the future receive certain projections, including projected statements of operating revenues and income from operations of the Business and certain business plan information. Buyer acknowledges that there are uncertainties inherent in attempting to make estimates, projections, budgets, pipeline reports and other forecasts and plans, that Buyer is familiar with such uncertainties and is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections, budgets, pipeline reports and other forecasts and plans, so furnished to it, including the reasonableness of the assumptions underlying such estimates, projections, budgets, pipeline reports and other forecasts and plans and that Buyer will have no claim against anyone with respect

thereto. Buyer hereby acknowledges that none of the Seller Related Persons or any Person acting on their respective behalf, whether in an individual, corporate or any other capacity, is making any representation or warranty with respect to such estimates, projections, budgets, pipeline reports and other forecasts and plans, including the reasonableness of the assumptions underlying such estimates, projections, budgets, pipeline reports, forecasts and plans, and that Buyer has not relied on any such estimates, projections, budgets, pipeline reports or other forecasts and plans. Buyer further agree, for itself and the other Buyer Indemnified Parties, that (i) none of the Seller Related Persons or any other Person will have or be subject to any Liability to any Buyer Indemnified Party or any other Person resulting from the distribution to Buyer or any other Buyer Indemnified Party, or Buyer's or any other Buyer Indemnified Party's use of, any such information, including any information, document or material made available to Buyer or any other Buyer Indemnified Party in "data rooms," management presentations, the confidential information memorandum or in any other form in connection with the transactions contemplated by this Agreement or another Transaction Document, including Liability related to the completeness or accuracy of any such information, and (ii) Buyer has not relied on or been induced by any such information.

## **ARTICLE 8**

### **DEFINITIONS**

For purposes of this Agreement, the following terms have the meanings specified in this Article 8:

"**ABG**" has the meaning set forth in the Recitals.

"**ABG Purchase Agreement**" has the meaning set forth in the Recitals.

"**ABG Transaction**" means the transactions contemplated by ABG Purchase Agreement.

"**Accounting Firm**" has the meaning set forth in Section 1.4(e).

"**Adverse Consequence**" means any loss, cost, Liability, damage, fine, judgment, fee, award or reasonable expense (including reasonable legal, accounting and other professional fees and expenses) and including the reasonable cost of investigation, preparation and defense and settlement of any action in connection therewith or the assertion of any right to indemnification hereunder and the cost of pursuing any insurance providers; *provided*, that Adverse Consequence does not include punitive, special, consequential, indirect or exemplary damages, except to the extent any such damages are found by a court of competent jurisdiction to be owed to an unaffiliated third Person.

"**Affiliate**" means, as applied to any Person, any other Person who, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" means the possession, directly or indirectly, through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of stock, by Contract or otherwise.

"**Agreement**" has the meaning set forth in the Preamble.

"**Alternative Arrangements**" has the meaning set forth in Section 7.4(d).

**“Assigned Contracts”** mean the Store Leases, the Factory POs and the other Contracts listed or described on Exhibit 8.1.

**“Assignment and Assumption Agreement”** means the assignment and assumption agreement to be entered into by Buyer and each Seller Party at Closing effecting the assignment and assumption by Buyer of the Assigned Contracts and the Assumed Liabilities in the form attached as Exhibit 8.2.

**“Assumed Liabilities”** means (a) all executory obligations under the Assigned Contracts (other than obligations arising from a breach by a Seller Party prior to Closing), (b) any Liabilities incurred by or at the written direction of Buyer, and (c) the Liabilities set forth on Exhibit 8.3. For avoidance of doubt, the Assumed Liabilities include all obligations with respect to product on order, in process, finished at factory, at CFS centers, on vessels or any other product committed to or in transit but not yet owned by Wolverine with the manner of the assumption of such obligations to be set forth in the TSA. Notwithstanding the foregoing, subject to any modifications or extensions to the TSA, including to the term thereof or any Transition Services provided thereunder, the expectation of the parties is that (i) Wolverine will be responsible for importing, clearing customs and transporting products for the SS24 season, and Buyer will pay Wolverine for such product and reimburse Wolverine for duties, freight, handling and other costs and expenses incurred in connection with the importation, customs clearance and transportation of such products in accordance with the TSA, and (ii) Buyer will be responsible for the importation of products (and all related costs) for the FW24 season and thereafter, and Factory POs in respect of the FW24 season will be assigned to Buyer, and upon such assignment, such Factory POs will be Assigned Contracts, and the obligations thereunder will be Assumed Liabilities, for purposes of this Agreement, provided, however, that Buyer must provide prior consent, in accordance with the TSA, with regard to any Factory POs to be placed or entered into for the FW24 season on or after the Closing Date.

**“Basket”** has the meaning set forth in Section 7.3(a).

**“Bill of Sale”** means the bill of sale to be entered into by Buyer and each Seller Party at Closing transferring the tangible personal property included in the Purchased Assets to Buyer in the form attached as Exhibit 8.4.

**“Business”** has the meaning set forth in the Recitals.

**“Business Day”** means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in the States of Michigan, Delaware or New York or the Province of Ontario.

**“Business Employees”** means each employee employed in the United States or Canada by Wolverine or any of its Affiliates who is dedicated exclusively to the Business.

**“Buyer Fundamental Representations”** means the representations and warranties set forth in Section 3.1 (Organization), Section 3.2 (Authorization), Section 3.3(a) (Noncontravention) and Section 3.8 (Broker’s Fees).

**“Buyer Indemnified Parties”** has the meaning set forth in Section 7.2(a).

**“Buyer Plan”** has the meaning set forth in Section 4.4(a).

**“Buyer Tax Claim”** has the meaning set forth in Section 4.6(a).

**“Buyer”** has the meaning set forth in the Preamble.

**“Certain Events”** means (a) the presence, outbreak and spread of coronavirus (COVID- 19) and the associated impacts on or changes in economic, market, industry, political or social conditions related thereto, including effects on the Business and the industry in which it operates and financial, banking and securities markets, (b) supply chain disruptions affecting the industry in which the Business operates, and (c) geo-political hostilities and the resulting impacts of those hostilities.

**“Closing”** has the meaning set forth in Section 1.6.

**“Closing Date”** has the meaning set forth in Section 1.6.

**“Closing Purchase Price”** means an amount, equal to the sum of (a) the Purchased Inventory Amount as calculated in accordance with Exhibit 8.6 and subject to adjustment as set forth in this Agreement, *minus*, (b) the Gift Card Adjustment Amount, *plus*, (c) the In-Store Cash Amount.

**“Code”** means the United States Internal Revenue Code of 1986, as amended.

**“Company Data Agreement”** has the meaning set forth in Section 2.11(a).

**“Company Privacy Commitments”** has the meaning set forth in Section 2.11(a).

**“Company Technology”** means all information technology and computer systems, including Software, services, workstations, routers, hubs, switches, devices, circuits, hardware, networks, data communication lines, databases, development tools, systems, telecommunications equipment, user interfaces and websites (and all information transmitted thereby or stored therein) relating to the transmission, storage, maintenance, organization, presentation, generation, processing or analysis of data and information, whether or not in electronic format, owned, leased, licensed, or otherwise used or held for use by the Business owned or purported to be owned, used or held for use, or licensed (whether as licensor or licensee) by any of Wolverine, any Seller Party or any Affiliate of Wolverine or any Seller Party in connection with the Business.

**“Company Website”** means the websites at [www.sperry.com](http://www.sperry.com).

**“Contingent Consideration”** has the meaning set forth in Section 1.2(c).

**“Contract”** means any written or oral agreement, contract, indenture, lease, instrument, or other agreement, commitment and legal binding arrangement (in each case, including any supplements, appendices, amendments and modifications thereto).

**“Data Protection Obligations”** has the meaning set forth in Section 2.11(a).

**“Disclosure Schedule”** means the schedules delivered in connection with this Agreement which, in part: (a) set forth the information specifically described in certain of the representations and warranties contained in Article 2 and (b) set forth exceptions or qualifications to the representations and warranties contained in Article 2.

**“Employee Benefit Plan”** means any “employee benefit plan” (as defined in Section 3(3) of ERISA, whether or not subject to ERISA) and any other compensation or benefit program, plan, policy, or Contract, including severance pay, change of control, retention compensation, disability benefits, deferred compensation, retirement, bonuses, and stock options, stock purchase, phantom stock, stock appreciation or other forms of incentive compensation (x) in which Identified Employees or their covered dependents participate or (y) which is sponsored, maintained or contributed to by any Seller Party for the benefit of any Identified Employee.

**“Encumbrance”** means any charge, claim, community property interest, covenant, condition, equitable interest, mortgage, lien (statutory or other), attachment, levy, easement, option, warrant, purchase right, pledge, security interest, right of first refusal or right of recapture whether voluntarily imposed or arising by operation of Law or otherwise, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

**“Enforceability Exceptions”** has the meaning set forth in Section 2.1(b).

**“Environment”** means soil, land surface or subsurface strata, surface waters (including navigable waters and ocean waters), groundwater, drinking water supply, stream sediments, ambient or indoor air, facilities and structures, and all natural resources, plant and wild-life.

**“Environmental Law”** means any Law relating to pollution or protection of the Environment, including those designed to: (a) notify Governmental Bodies, employees or the public of intended, threatened or actual releases of any Hazardous Substance in violation of environmental permits or other applicable Law; (b) prevent, regulate or require the reporting of the use, discharge, release or emission of Hazardous Substances into the Environment; (c) reduce the quantities, prevent the release and minimize Hazardous Substances that are generated; (d) regulate the generation, management, treatment, storage, handling, transportation or disposal of Hazardous Substances; (e) assure that products are designed, formulated, packaged or used so that they do not present unreasonable risks to public health or the Environment when used or disposed of; or (f) provide for or require the cleanup of Hazardous Substances that have been released into the Environment without a permit or otherwise in violation of Law, or (g) otherwise relating to the protection, restoration, or preservation of the environment including air, surface water, groundwater, drinking water supply, surface and subsurface soils and strata, wetlands, plant and animal life or any other natural resources, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning



and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

**“Environmental Liability”** means any Adverse Consequence or other Liability of a Seller Party with respect to any Store Lease included among the Assigned Contracts arising from or relating to any violation of or Liability under any Environmental Law or the presence, release or threatened release or any Hazardous Substance with respect to facts, events or conditions occurring or in existence on or before the Closing Date.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.

**“Estimated Closing Purchase Price”** has the meaning set forth in Section 1.3(a).

**“Estimated Closing Statement”** has the meaning set forth in Section 1.3(a).

**“Estimated Purchased Inventory Amount”** has the meaning set forth in Section 1.3(a).

**“Excluded Assets”** means all properties, assets and rights, of any kind or nature, tangible or intangible, of each Seller Party or any of their respective Affiliates, other than the Purchased Assets, but including the Retained Sell-Off Products and the Identified Defective Products.

**“Excluded Benefits”** has the meaning set forth in Section 4.4(b).

**“Excluded Closing Stores”** means the stores set forth on Exhibit 8.8.

**“Excluded Liabilities”** has the meaning set forth in Section 1.2(c).

**“Excluded Stores”** means the existing side-by-side stores and the existing stores located in Howell, MI, Omaha, NE, and River Head, NY.

**“Express Representations”** has the meaning set forth in Section 2.24.

**“Factory POs”** means all purchase orders open as of 11:59 p.m. Eastern on the Closing Date issued by any Seller Party to a factory for the manufacture of Sperry-branded footwear. All Inventory of the Business to which Wolverine or an Affiliate has title but which has not been customs cleared as of the Closing, other than Retained Sell-Off Products and the Identified Defective Products, will be treated in the same manner as Factory POs under this Agreement, and no such Inventory is included in the Purchased Inventory. Rather, Buyer will, in accordance with the TSA, pay Wolverine for such Inventory upon its clearance of customs (together with duties, freight, handling and other costs and expenses incurred in connection with the importation, customs clearance and transportation of such Inventory).

**“Final Closing Purchase Price”** has the meaning set forth in Section 1.4.

**“Fraud”** means actual intentional common law fraud, as determined under Delaware law, consisting of an act or omission, committed by a Party to this Agreement, with the intent to deceive another Party to this Agreement and requires a false representation of material fact or omission

concerning a material fact made in ARTICLE 2 or ARTICLE 3 by such Party with actual knowledge that such representation is false and upon which the other Party reasonably relies. For avoidance of doubt, “Fraud” does not include fraud in the inducement, constructive fraud, unfair dealings or promissory, negligent, reckless or equitable fraud.

“**FTZ**” has the meaning set forth in Section 4.9.

“**FTZ 0290010A5 Permit**” has the meaning set forth in Section 4.9.

“**General Survival Period Expiration Date**” has the meaning set forth in Section 7.1.

“**Gift Card Adjustment Amount**” means an amount equal to \$354,348.54.

“**Governmental Authorization**” means any approval, consent, license, registration, permit, waiver or other authorization issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Law.

“**Governmental Body**” means any: (a) nation, state, county, city, town, village, district or other governmental jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, commission, board, instrumentality, official or entity and any court or other tribunal); (d) multi-national organization or body; (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or Taxing Authority; or (f) organization or association that sponsors, authorizes or conducts any arbitration Proceeding, or any arbitrator or panel of arbitrators, the decisions of which are enforceable in any court of law.

“**Gross Margin**” means sales (determined in accordance with GAAP) *minus* Wolverine’s book value of the Purchased Inventory and direct labor costs (including warehousing, insurance, retail, excise taxes and shipping, each determined as consistent with past practice of Buyer).

“**Hazardous Substance**” means: (a) any substance, waste or material that is listed, defined, controlled or regulated by or for which Liability may be imposed under any Environmental Law, including oil, petroleum or derivatives thereof, asbestos or asbestos containing materials, polychlorinated biphenyls, lead or lead based paints, radon or mold, and any substance defined as Hazardous Substances, Oils, Pollutants or Contaminants in the National Oil and Hazardous Substances Pollution Contingency Plan, 40 C.F.R. § 300.5; or (b) any substance or condition that is toxic, explosive, corrosive, flammable, infectious, carcinogenic, mutagenic or otherwise hazardous to the Environment or public health, including polychlorinated biphenyls, asbestos and asbestos containing materials, radiation, noise, odors, mold or microbial agents; *provided, however*, that Hazardous Substance will not include typical office supplies (i.e., printer/copier toner cartridges, inks, correction fluids, etc.) or personal care items (i.e., cosmetics, medicines, perfumes, colognes, deodorants, fragrances, fingernail polishes, etc.).

“**Identified Defective Products**” shall have the meaning set forth in Section 2.4(a).

“**Identified Employees**” shall have the meaning set forth in Section 2.14(a).

**“Indebtedness”** means, as of any time with respect to any Person, without duplication, the outstanding principal amount of, accrued and unpaid interest on, and other payment obligations (including any premiums, penalties, make-whole payments, termination fees, breakage costs and other fees and expenses that are due upon prepayment of such obligations) arising under, any obligations of such Person consisting of: (a) indebtedness for borrowed money (including any principal, premium, accrued and unpaid interest, related expenses, prepayment penalties, commitment and other fees, reimbursements, indemnities and all other amounts payable in connection therewith); (b) all amounts owing or due under any interest rate, currency, swap or other hedging Contracts in connection with the termination of such Contracts at Closing; (c) all capital lease obligations of such Person that are required to be capitalized in accordance with GAAP excluding the effects of ASC 842 (it being agreed, for clarity, that all operating leases will be excluded from Indebtedness, including the Store Leases and any leases set forth on Exhibit 8.1); (d) all reimbursement obligations with respect to letters of credit, bank guarantees, bankers’ acceptances or other similar instruments, but only to the extent that such letters of credit, bank guarantees, bankers’ acceptances or other similar instruments have been drawn upon; (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade payables incurred in the Ordinary Course), all conditional sale obligations of such Person and all obligations of such Person under any title retention Contract; (f) any other obligation of any Seller Party or their respective Affiliates for borrowed money pursuant to which the applicable creditor has a security interest in the Purchased Assets; (g) Liabilities for U.S. federal, state, local and foreign accrued and unpaid Taxes; and (h) all guarantees by such Person of any Liabilities of another Person of a type described in the foregoing clauses (a)-(g).

**“Indemnified Party”** has the meaning set forth in Section 7.4(a).

**“Indemnifying Party”** has the meaning set forth in Section 7.4(a).

**“Intellectual Property”** means any and all worldwide rights in and to all tangible and intangible interests, rights or assets (whether arising under statutory or common law, contract or otherwise), including: (a) ideas, Trade Secrets, know-how (technical, scientific and otherwise), designs, patterns, artwork, drawings, diagrams, inventions and related improvements (whether or not patentable), discoveries, technology, business and technical information (including promotional material), work specifications, databases, data compilations and collections, tools, molds, assembly procedures, methods, processes, practices, formulas, techniques, developments (whether or not patentable), and other confidential and proprietary information, and all industrial designs; (b) trademarks (whether registered, unregistered or pending), service marks, service names, brands, brand names, product names, certification marks, collective marks, logos, trade dress, trade names, corporate names, fictitious names, other names, symbols (including business symbols), slogans and other similar indicia of source or origin, including adaptations, derivations, translations of any of the foregoing and any foreign or international equivalent of any of the foregoing (**“Trademarks”**), together with all goodwill connected or associated with the use thereof and symbolized thereby, and all advertising and marketing collateral (whether tangible or intangible) including any of the foregoing; (c) works of authorship (whether or not copyrightable) and works for hire; (d) internet domain names and internet rights (including the content contained therein, IP addresses and AS numbers) (**“Domain Names”**); (e) social media accounts, tags and handles (including the content contained therein, user names and passwords) (**“Social Media”**); (f) all product images and related assets used in the conduct of any catalog business or business

over the internet and/or in any other electronic medium, including any websites, social media sites and accounts; (g) all advertising and marketing materials and collateral (including all physical, digital, or electronic imagery and design files, in each case, appropriately labeled to identify the corresponding season, style and year of production, or any other relevant categorization), samples, product catalogs, product designs, patterns, artwork, tech packs, tools, molds, and specifications (including tech specifications), vendor and merchandise supplier data and information, tradeshow booths, displays, design archives and prototypes; (h) customer lists and databases (including all lists of current and past customers), and including any and all information relating in any way to the use of such lists for or by the Business, including (1) personal information, such as name, address, telephone number, email address, website and any other database information and (2) customer purchase history at a transaction level (including with respect to dollar amounts, dates, and items purchased, but excluding from the foregoing any credit card numbers or related customer payment source, social security numbers, or financial information prohibited by law); (i) all goodwill, rights, contracts (including all licenses and sublicenses granted or obtained with respect thereto) and all assets related to the foregoing; and (j) all other types, forms and embodiments of intellectual property or industrial property and assets.

**“Intellectual Property Rights”** means any and all rights in and to, arising out of (whether arising under statutory or common law, contract or otherwise), or associated with any Intellectual Property in any jurisdiction throughout the world, including: (a) issued and/or granted patents (whether provisional or non-provisional), including certificates of inventions, petty patents, utility patents, design patents, design registrations, industrial design registrations, registered designs and utility models and divisionals, divisions, continuations, continuations-in-part, substitutions, reissues, renewals, confirmations, reexaminations, extensions or restorations or any of the foregoing, and other governmental authority-issued indicia of invention ownership and applications for all of the foregoing; (b) registrations, applications for registration, and renewals of, any Trademarks and all common law rights in Trademarks, together with the goodwill connected with the use of and symbolized by, any of the foregoing; (c) registrations, applications for registration, and renewals of copyrights for works of authorship and all common law copyrights for works of authorship, moral rights, design rights, rights existing under any copyright laws and rights to prepare derivative works; (d) all registrations and other proprietary rights in Domain Names and Social Media; (e) all proprietary rights in Trade Secrets, know-how, inventions (whether or not patentable), discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein; (f) rights of publicity, image and likeness; (g) the right to sue for infringement and other remedies against past, present and future infringements and misappropriations of any of the foregoing; and (h) all rights to the enforcement and protection of interests in the foregoing under the laws of all jurisdictions.

**“Inventory”** means finished footwear, apparel and accessories of the Business held for sale in North America.

**“In-Store Cash”** means the aggregate amount of all cash, checks, money orders and other amounts available for deposit at each Store.

**“In-Store Cash Amount”** means \$9,200.

**“Law”** means any federal, state, foreign, local, municipal or other law (including common law), ordinance, statute, code, federal, state, foreign, local, municipal or other regulation, rule, order or treaty enacted, adopted, implemented, issued or promulgated by any Governmental Body.

**“Liability”** means any debt, liability, cost, expense, deficiency, guaranty, endorsement, Taxes, obligation or other liabilities of a Person (whether direct or indirect, known or unknown, matured or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due), and including all costs and expenses relating thereto.

**“Material Adverse Effect”** means any event, circumstance, state of fact, change, development, effect or condition that, individually or in the aggregate: (a) is, or is reasonably likely to be, materially adverse to the business, financial condition, assets, liabilities, properties or results of operations of the Business; *provided, however*, that none of the following changes will constitute, or will be considered in determining whether there has occurred, and no event, circumstance, change, effect or condition resulting from or arising out of any of the following will constitute, a Material Adverse Effect: (i) the announcement of the execution of this Agreement or another Transaction Document or the intended consummation of the transactions contemplated herein or therein in accordance with their respective terms (including any threatened or actual impact on any relationship with any customer, vendor, supplier, distributor, landlord or employee of the Business); (ii) the failure, in and of itself, of the Business to meet any estimate of revenues, earnings or other financial projections, performance measures or operating statistics (*provided that* the facts and circumstances underlying any such failure may be considered in determining whether there has occurred a Material Adverse Effect); (iii) any condition or change in economic conditions generally affecting the economy or the industries in which the Business operates; (iv) natural or manmade disaster or other acts of God, or any national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency, war or the occurrence of any military or terrorist attack on the United States or any of its territories, possessions, offices or military installations; (v) any condition affecting financial, banking or securities markets generally (including any disruption thereof, any decline in the price of any security or market index and any change in interest rates, commodity prices or foreign exchange rates); (vi) any change in any Law, Orders or GAAP; (vii) Certain Events or any other public outbreak of disease or virus (including coronavirus) or other public health conditions, pandemics or emergencies; and (viii) the taking of any action required or expressly permitted by this Agreement or the other Transaction Documents, including the completion of the transactions contemplated hereby and thereby in accordance with their respective terms, except, with respect to a matter described in any of the foregoing clauses (a)(iii)-(vi) of this definition, to the extent such matter has a disproportionate adverse effect on the Business relative to other comparable businesses operating in the same industries in which the Business operates; or (b) prevents, or is reasonably likely to prevent, any Seller Party from consummating, or materially impairs or delays, or is reasonably likely to materially impair or delay, the ability of any Seller Party to consummate, the transactions contemplated by this Agreement or another Transaction Document.

**“Material Vendors”** has the meaning set forth in Section 2.17.

**“Mini-Basket”** has the meaning set forth in Section 7.3(a).

**“Non-Recourse Party”** means, with respect to a Party to this Agreement, any of such Party’s former, current and future direct or indirect equity holders, controlling Persons, directors, officers, employees, legal counsel, financial advisors, agents, Representatives, Affiliates, members, managers, general or limited partners, successors or assignees (or any former, current or future equity holder, controlling Person, director, officer, employee, legal counsel, financial advisors, agent, Representative, Affiliate, member, manager, general or limited partner, successor or assignee of any of the foregoing).

**“Objection Notice”** has the meaning set forth in Section 1.4(b).

**“Order”** means any award, decree, stipulation, decision, injunction, judgment, order, ruling, or verdict entered, issued, made or rendered by any Governmental Body.

**“Ordinary Course”** means in accordance with the ordinary and customary operations of the applicable Seller Party with respect to the Business consistent with its past practices, as may be modified by Law due to Certain Events.

**“Organizational Documents”** means the organizational documents of a non-natural Person, including, as applicable, the charter, or certificate of incorporation, bylaws, articles of organization or certificate of formation, operating agreement, trust agreement or similar governing documents, as amended.

**“Overpayment Amount”** has the meaning set forth in Section 1.4(d)(ii).

**“Participants”** has the meaning set forth in Section 4.4(d).

**“Party”** and **“Parties”** have the meanings set forth in the Preamble.

**“Payment Spreadsheet”** has the meaning set forth in Section 1.3(a).

**“Permitted Encumbrances”** means: (a) Encumbrances for Taxes not yet due and payable or that are being contested in good faith by appropriate Proceedings; (b) imperfections of title and other similar Encumbrances that do not and would not reasonably be likely to materially detract from the value of the asset or property subject thereto or materially impair the continued use and/or occupancy of such asset or property in connection with the operation or use of the Purchased Assets; (c) Encumbrances arising by operation of Law in the Ordinary Course, such as mechanics’ Encumbrances, materialmens’ Encumbrances, carriers’ Encumbrances, warehousemens’ Encumbrances and similar Encumbrances; *provided, that* the underlying obligations are not delinquent or are being disputed in good faith; (d) pledges or deposits that secure the performance of tenders, statutory obligations, bonds, bids, leases, Contracts and similar obligations; (e) with respect to the Stores, zoning, building codes, land use or other applicable Laws that do not and would not reasonably be likely to materially impair the continued use or occupancy of such Store by a Buyer; (f) Encumbrances to be discharged at Closing.

**“Person”** means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, Governmental Body or other entity.

**“Personal Information”** means data that identifies or is reasonably capable of being used, directly or indirectly, to identify an individual or household, or is otherwise considered “personal information,” “personal data,” or a similar term under applicable Laws.

**“Pre-Closing Tax Period”** means any taxable period (or a portion thereof) ending on or prior to the Closing Date and shall include any pre-Closing portion of a Straddle Period.

**“Preliminary Closing Statement”** has the meaning set forth in Section 1.4(a).

**“Privacy Law”** has the meaning set forth in Section 2.11(a).

**“Proceeding”** means any action, arbitration, known audit, known examination, known investigation, known review, hearing, known claim, demand litigation, charge, audit, notice of violation, citation, summons, subpoena or investigation of any nature, proceeding or lawsuit (whether civil, criminal, administrative or regulatory, at law or in equity or other proceeding) including any of the foregoing commenced, brought, conducted or heard by or before any Governmental Body.

**“Processing”** (and cognates thereof) means, with respect to Personal Information, the receipt, access, collection, sharing, selling, disclosing, transferring, renting, retrieval, consultation, analysis, combination, accessing, storage, use, security, transfer, restriction, destruction, or other processing or operations or set of operations, whether or not by automated means.

**“Purchase Price”** has the meaning set forth in Section 1.2.

**“Purchased Assets”** means the assets of each Seller Party set forth on Exhibit 8.5.

**“Purchased Inventory”** means the Inventory of the Business to which Wolverine or an Affiliate has title and which has been customs cleared as of the Closing, other than Retained Sell- Off Products and the Identified Defective Products.

**“Purchased Inventory Amount”** means an aggregate dollar amount of Purchased Inventory as of the Closing calculated in accordance with Exhibit 8.6, subject to adjustment in accordance with Section 1.4.

**“Representative”** means, with respect to a particular Person, any director, officer, manager, managing member, employee, agent, consultant, advisor or other representative of such Person, including legal counsel, accountants and financial advisors.

**“Retained Sell-Off Products”** means (i) Sperry-branded products that are located in, or which are destined for sale in, the European Union or Mexico and (ii) Sperry-branded products located at an Excluded Store. For avoidance of doubt, the Retained Sell-Off Products are not included in the Purchased Inventory.

**“Review Period”** has the meaning set forth in Section 1.4(b).

**“Safety Requirements”** has the meaning set forth in Section 2.22(b).

**“Seller Financial Advisor”** has the meaning set forth in Section 2.20.

**“Seller Fundamental Representations”** means the representations and warranties set forth in Section 2.1 (*Organization, Qualification and Power; Authorization*), Section 2.2(a) (*Noncontravention*), the first sentence of Section 2.3 (*Title to Assets*), Section 2.8 (*Tax Matters*) and Section 2.20 (*Broker’s Fees*).

**“Seller Indemnified Parties”** has the meaning set forth in Section 7.2(b).

**“Seller Parties’ Knowledge”** means the actual knowledge, after reasonable inquiry, of Katherine Cousins, Fabi Avaralo, James Zwiers, Ethan Brackley and Mike Kochanny.

**“Seller Party”** and **“Seller Parties”** have the meaning set forth in the first paragraph of this Agreement.

**“Seller Related Persons”** means each Seller Party, their respective Affiliates and Representatives, and former, current or future successors and assigns.

**“Seller Tax Claim”** has the meaning set forth in Section 4.6(c).

**“Seller Transaction Expenses”** means, in each case, to the extent not paid as of Closing, all fees, costs and expenses incurred by or on behalf of any Seller Party in connection with this Agreement or the consummation of the transactions contemplated hereby (in each case, to the extent payable or owed by a Seller Party, and whether invoiced before or after Closing), including: (a) brokers’, finders’ or investment bankers’ fees owing by a Seller Party in connection with the negotiation, preparation, execution and consummation of the transactions contemplated hereby, including those of the Seller Financial Advisors; (b) fees and expenses of legal counsel or other professional advisors incurred by or on behalf of a Seller Party in connection with consummation of the transactions contemplated hereby; and (c) transaction, change in control and similar bonuses, and all payments with respect to stock appreciation rights, in each case payable by a Seller Party solely as a result of the consummation of the transactions contemplated hereby. The Seller Transaction Expenses are Excluded Liabilities.

**“Sexual Misconduct Allegation”** has the meaning set forth in Section 2.14(e).

**“Software”** means (a) all computer software, including source code, executable code, firmware, systems, tools, data, databases and other collections of data and all documentation relating thereto, (b) Internet and intranet websites, databases and compilations, including data and collections of data, whether machine-readable or otherwise, (c) development and design tools, library functions and compilers, (d) technology supporting websites, and the contents and audiovisual displays of websites, and (e) media, documentation and other works of authorship, including user manuals and training materials, relating to or embodying any of the foregoing or on which any of the foregoing is recorded.

**“Store Leases”** means those leases or subleases for the stores set forth on Schedule 2.6, each of which will be assigned to Buyer at Closing.



**“Store Lessee”** means Hush Puppies Retail, LLC or Stride Rite Children’s Group, LLC, as applicable.

**“Stores”** means those stores subject to the Store Leases.

**“Straddle Period”** means a taxable period beginning on or before, and ending after, the Closing Date.

**“Tax”** or **“Taxes”** means any means any and all (a) domestic or foreign, federal, state, or local taxes, charges, fees, levies, imposts, escheat for unclaimed property, duties and governmental fees, or other like assessments or charges of any kind whatsoever, including income taxes (whether imposed on or measured by net income, gross income, income as specially defined, earnings, profits, or selected items of income, earnings, or profits), capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, value added taxes, goods and services taxes, transfer taxes, franchise taxes, license taxes, withholding taxes or other withholding obligations, payroll taxes, employment taxes, excise taxes, severance taxes, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, ad valorem taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, and customs duties, (b) interest, penalties, fines, additions to tax, or additional amounts imposed by any Taxing Authority in connection with (i) any item described in clause (a) or (ii) the failure to comply with any requirement imposed with respect to any Tax Returns, (c) any liability in respect of any items described in clause (a) or clause (b) that is incurred by reason of being (or ceasing to be) a member of an affiliated, consolidated, combined, unitary, or aggregate group for any taxable period, and (d) liabilities in respect of any items described in clause (a) or clause (b) payable by reason of Contract, assumption, transferee liability, operation of law, or otherwise.

**“Tax Claim”** has the meaning set forth in Section 4.6(c).

**“Tax Dispute”** has the meaning set forth in Section 4.6(e).

**“Tax Return”** means any return (including any information return), report, statement, schedule, notice, form or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Law relating to any Tax.

**“Taxing Authority”** means any federal, state, local or foreign Governmental Body or authority responsible for the imposition or collection of any Tax.

**“Third-Party Proceeding”** has the meaning set forth in Section 7.4(a).

**“Third-Party Processor”** has the meaning set forth in Section 2.11(b).

**“Trade Secrets”** means trade secrets and confidential information, including all source code, documentation, know how, processes, technology, formulae, customer lists, business and marketing plans, inventions (whether or not patentable) and marketing information.

“**Transaction Documents**” means this Agreement, the TSA, the Bill of Sale and the Assignment and Assumption Agreement.

“**Transfer Taxes**” has the meaning set forth in Section 4.6(d).

“**Transferred Employee**” has the meaning set forth in Section 4.4(a).

“**TSA**” means the transition services agreement in the form attached as Exhibit 8.7.

“**Underpayment Amount**” has the meaning set forth in Section 1.4(d)(i).

“**WARN Act**” means the Worker Adjustment and Retraining Notification Act of 1989.

“**Wolverine**” has the meaning set forth in the Preamble.

“**Wolverine 401(k) Plan**” has the meaning set forth in Section 4.4(d).

## **ARTICLE 9**

### **GENERAL**

Section 9.1 **Binding Effect; Benefits; Assignment**. The terms of this Agreement and the other Transaction Documents executed or to be executed by a Party will be binding upon, inure to the benefit of and be enforceable by and against such Party and its successors and authorized assigns. Except as otherwise expressly provided in this Agreement or another Transaction Document, this Agreement and the other Transaction Documents are for the exclusive benefit of the Parties thereto and (as applicable) their respective successors and authorized assigns, and nothing in this Agreement or such other Transaction Document, express or implied, is intended to confer upon any other Person any rights or remedies under or by reason of this Agreement or such other Transaction Document; *provided that*, notwithstanding the foregoing the provisions of Article 7 are intended for the benefit of, and will be enforceable by, each Seller Related Person, Buyer Indemnified Party and Seller Indemnified Party. No Party may assign any of its rights or obligations under this Agreement or another Transaction Document to any other Person without the prior written consent of the other Party to this Agreement or the other Parties to such other Transaction Documents, as applicable, and any such attempted or purported assignment will be null and void. No Party may assign any of its rights or obligations under this Agreement or another Transaction Document to any other Person without the prior written consent of the other Party to this Agreement or the other Parties to such other Transaction Documents, as applicable, and any such attempted or purported assignment will be null and void; *provided, however*, that Buyer may, without consent, assign all or part of its rights under this Agreement or other Transaction Document to one or more of its Affiliates, which assignment will not relieve Buyer of any of its obligations under this Agreement or such other Transaction Document.

Section 9.2 **Entire Agreement**. This Agreement, the exhibits and schedules to this Agreement (including the Disclosure Schedule) and the other Transaction Documents set forth the entire agreement and understanding of the Parties in respect of the transactions contemplated by this Agreement or other Transaction Documents, as applicable, and supersede all prior Contracts, letters of intent, arrangements and understandings relating to the subject matter hereof and thereof. No representation, promise, inducement or statement of intention has been made by any Party in

connection with the transactions contemplated by this Agreement or other Transaction Document that is not embodied in this Agreement or such other Transaction Document, as applicable, and no Party will be bound by or liable for any alleged representation, promise, inducement or statement of intention not so embodied.

Section 9.3 **Amendment and Waiver**. This Agreement may be amended, modified, superseded or canceled, and any of its provisions may be waived, only by a written instrument executed by the Parties or, in the case of a waiver, by the Party waiving compliance. The failure of a Party at any time to require performance of any provision of this Agreement will in no manner affect the right of that Party at a later time to enforce such provision. No waiver by a Party of any provision of this Agreement or the breach of any provision of this Agreement, in any one or more instances, will be deemed to be or construed as a further or continuing waiver of such provision or breach, or any other provision of this Agreement.

Section 9.4 **Governing Law; Exclusive Jurisdiction**. This Agreement and any dispute about which this Agreement is a subject will be governed by and construed in accordance with the applicable Laws of the State of Delaware, without regard to choice of law principles of any jurisdiction. The Parties agree not to bring any Proceeding related to or arising out of this Agreement in any court other than the state or federal courts located in Wilmington, Delaware.

Section 9.5 **WAIVER OF TRIAL BY JURY**. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND THEREFORE EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY OR OTHERWISE. EACH PARTY FURTHER AGREES AND CONSENTS THAT ANY SUCH PROCEEDING WILL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 9.6 **Notices**. All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement must be in writing and will be deemed to have been duly given: (a) on the day of delivery, if delivered by hand; (b) on the day of delivery, if sent by electronic mail (with confirmation of receipt) at or prior to 5:00 p.m. Eastern time on a Business Day; (c) on the first Business Day following delivery, if sent by electronic mail on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day; (d) on the first Business

Day following deposit with a nationally recognized overnight delivery service; or (e) upon the earlier of actual receipt and the fifth Business Day following first class mailing, with first class, postage prepaid:

If to Buyer:

ALDO U.S. INC.  
Attn: David Bensadoun, Chief Executive Officer  
Jonathan Frankel, President of Aldo Product and Services  
1209 N. Orange Street  
Wilmington DE 19801-1120  
Email: [REDACTED]  
with copies to (which will not constitute notice):

The Aldo Group Inc.  
Attn: Legal Department  
The Aldo Group Inc.  
905 Hodge Street,  
Saint-Laurent, QC H4N 2B3  
Email: [REDACTED]

Hogan Lovells US LLP  
390 Madison Avenue  
New York, NY 10017  
Attn: Michael Szlamkowicz  
Email: [REDACTED]

If to any Seller Party:

Wolverine World Wide, Inc.  
Attn: James D. Zwiers, Executive Vice President, President of Global Operations Group  
9341 Courtland Drive NE  
Rockford, Michigan 49351  
Email: [REDACTED]

with copies to (which will not constitute notice):

Wolverine World Wide, Inc.  
Attn: Reginald M. Rasch, Senior Vice President, General Counsel and Secretary *and*  
Jennifer J. Miller, VP and Associate General Counsel  
9341 Courtland Drive, NE  
Rockford, Michigan 49351  
Email: [REDACTED]; [REDACTED]

Honigman LLP  
Attn: Tracy T. Larsen  
Jordan K. Schwartz

200 Ottawa Avenue, NW, Suite 700  
Grand Rapids, Michigan 49503-2308  
Email: [REDACTED]  
[REDACTED]

A Party may change its address or e-mail address by prior written notice to the other Party provided as set forth in this Section 9.6.

Section 9.7 **Counterparts**. This Agreement may be executed by original signature or by digital or other electronic signature (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com) or [www.simplyagree.com](http://www.simplyagree.com)) and in one or more counterparts, each of which will be deemed an original and together will constitute one and the same instrument.

Section 9.8 **Expenses**. Except as otherwise expressly provided in this Agreement, the Seller Parties, on one hand, and Buyer, on the other hand, will each pay all of their own expenses, costs and fees (including legal and other professional fees and costs) incurred in connection with the negotiation, preparation, execution and delivery of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby (whether the transactions contemplated by this Agreement are consummated or not).

Section 9.9 **Headings; Construction**. The headings of the articles, sections and paragraphs in this Agreement have been inserted for convenience of reference only and will not restrict or otherwise modify any of the provisions of this Agreement. Unless otherwise expressly provided, the words "including," "include" or "includes," or other similar words, whenever used in this Agreement will be deemed to be immediately followed by the words "without limitation." The words "herein," "hereby," "hereof," "hereunder" and words of similar import refer to this Agreement as a whole (including any exhibits and schedules hereto) and not merely to any particular section, subsection or paragraph contained in this Agreement. The word "extent" in the phrase "to the extent" will mean the degree to which a subject or other thing extends, and such phrase will not mean simply "if." The use of "or" is not an exclusive concept and may include both of the matters separated by the word "or." The word "shall" or "will" denotes a directive and obligation, not an option. All references in this Agreement to Sections, Schedules or Exhibits are references to Sections of, and Exhibits and Schedules to, this Agreement, unless the context otherwise requires. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. Neither this Agreement nor another Transaction Document (nor any uncertainty or ambiguity herein or therein) will be construed against a Party under any rule of construction or otherwise. No Party will be considered the draftsman of this Agreement or any other Transaction Document. The provisions of this Agreement have been negotiated by and chosen by the Parties to express their mutual intent, and no rule of strict construction will be applied against a Party. All references to dollars or "\$" in this Agreement or another Transaction Document are to U.S. Dollars. References to a number of days refer to calendar days unless Business Days are specified. When calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is referenced in beginning the calculation of such period will be excluded. Except as otherwise specified, whenever any action must be taken on or by a day that

is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day. Any accounting term not otherwise defined will have the meaning prescribed by GAAP.

Section 9.10 **Partial Invalidity**. Whenever possible, each provision of this Agreement and each other Transaction Document will be interpreted in such manner as to be effective and valid under applicable Law, but in case any one or more of the provisions contained in this Agreement or other Transaction Document is, for any reason, held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement or other Transaction Document, as applicable, which will otherwise remain in full force and effect. Upon any such determination that any provision of this Agreement or other Transaction Document is invalid, illegal or unenforceable, the Parties will negotiate in good faith to modify this Agreement or other Transaction Document, as applicable, by replacing the invalid, illegal or unenforceable provisions with legal, valid and enforceable provisions the effect of which comes as close as practicable to the original intent of the Parties in order that the transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

Section 9.11 **Certain Disclosure Matters**. The Disclosure Schedule contains a series of schedules which, in part, set forth information specifically referred to in Article 2 and, in part, provide exceptions or qualifications to the representations and warranties contained in Article 2 (the latter schedules are not specifically referred to in Article 2). Neither the specification of any dollar amount in Article 2 nor the disclosure of a document or information in a schedule comprising part of the Disclosure Schedule is intended, or will be construed or offered in any dispute between the Parties as evidence of, the materiality of such dollar amount, document or information, nor does it establish any standard of materiality upon which to judge the inclusion or omission of any similar documents or information in that schedule or any other schedule comprising the Disclosure Schedule. The information contained in this Agreement and the Disclosure Schedule is disclosed solely for the purposes of this Agreement, and no information contained herein or therein will be deemed to be an admission to any third Person of any matter whatsoever, including of any violation of Law or breach of any Contract. An exception or qualification set forth in the Disclosure Schedule with respect to a particular representation or warranty will be deemed to be an exception or qualification with respect to all other applicable representations and warranties to the extent the description of the facts regarding the event, item or matter disclosed is adequate on its face so as to make reasonably clear that such exception or qualification is applicable to such other representations and warranties, whether or not such exception or qualification is so numbered or such other representations and warranties expressly refer to a schedule comprising the Disclosure Schedule. Matters reflected in the Disclosure Schedule are not necessarily limited to matters required by the Agreement to be reflected in the Disclosure Schedule, which additional matters are included for information purposes only.

Section 9.12 **Specific Performance**. The Parties agree that irreparable damage would occur to the non-breaching Party if any provision of this Agreement were not performed by a Party in accordance with the terms hereof (including failing to take such actions as are required of them to consummate the transactions contemplated hereby). Each Party agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that the other Party has an adequate remedy at Law or an award of specific performance is not an appropriate remedy for any reason at Law or equity. A Party seeking an injunction or injunctions

to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement will not be required to provide any bond or other security in connection with any such order or injunction.

Section 9.13 **Representation by Retained Firms; Privileged Communications**. In the event of any dispute following Closing between Buyer or any of its Affiliates, on the one hand, and one or more Seller Parties or any of their respective Affiliates, on the other hand, Buyer hereby consents to the representation by Honigman LLP and Warner, Norcross + Judd LLP (each a “**Retained Firm**”) of any or all of such Persons. Buyer and its Affiliates, hereby waive any right to object thereto on the basis of any conflict of interest. Buyer acknowledges and agrees that as to all pre-Closing communications between or among any Seller Parties and their respective employees, agents and Affiliates, on one hand, and any Retained Firm and any other legal counsel retained by the Seller Parties, on the other hand, relating to this Agreement or any other Transaction Document or the transactions contemplated hereby or thereby, the attorney-client privilege, the expectation of client confidence and all other rights to any evidentiary or other privilege belong to and may be controlled by Wolverine, and will not pass to or be claimed by Buyer or any of its Affiliates.

Section 9.14 **No Recourse**. Notwithstanding any provision of this Agreement or otherwise, the Parties to this Agreement agree on their own behalf and on behalf of their Affiliates that no Non-Recourse Party of a Party to this Agreement will have any Liability relating to this Agreement, any other Transaction Document or other transactions contemplated hereby or thereby except to the extent expressly agreed to in writing by such Non-Recourse Party.

*[SIGNATURE PAGE FOLLOWS]*

The Parties have executed this Purchase Agreement as of the date stated in the first paragraph hereof.

**BUYER:**

ALDO U.S. INC.

By: /s/ David Bensadoun  
Name: David Bensadoun  
Title: Chief Executive Officer

**SELLER PARTIES:**

WOLVERINE WORLD WIDE, INC.

By: \_\_\_\_\_  
Name:  
Title:

HUSH PUPPIES RETAIL, LLC

By: \_\_\_\_\_  
Name:  
Title:

STRIDE RITE CHILDREN'S GROUP, LLC

By: \_\_\_\_\_  
Name:  
Title:

WOLVERINE DISTRIBUTION, INC.

By: \_\_\_\_\_  
Name:  
Title:

WOLVERINE WORLD WIDE CANADA ULC

By: \_\_\_\_\_  
Name:  
Title:

*[Signature Page to Purchase Agreement]*



**SELLER PARTIES:**

WOLVERINE WORLD WIDE, INC.

By: /s/ James D. Zwiers  
Name: James D. Zwiers  
Title: Executive Vice President and  
President of Global Operations

HUSH PUPPIES RETAIL, LLC

By: \_\_\_\_\_  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

STRIDE RITE CHILDREN'S GROUP, LLC

By: \_\_\_\_\_  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

WOLVERINE DISTRIBUTION, INC.

By: \_\_\_\_\_  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

WOLVERINE WORLD WIDE CANADA ULC

By: \_\_\_\_\_  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

**SELLER PARTIES:**

WOLVERINE WORLD WIDE, INC.

By: \_\_\_\_\_  
Name: James D. Zwiers  
Title: Executive Vice President and  
President of Global Operations

HUSH PUPPIES RETAIL, LLC

By: /s/ Jennifer J. Miller \_\_\_\_\_  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

STRIDE RITE CHILDREN'S GROUP, LLC

By: /s/ Jennifer J. Miller \_\_\_\_\_  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

WOLVERINE DISTRIBUTION, INC.

By: /s/ Jennifer J. Miller \_\_\_\_\_  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

WOLVERINE WORLD WIDE CANADA ULC

By: /s/ Jennifer J. Miller \_\_\_\_\_  
Name: Jennifer J. Miller  
Title: Vice President and Secretary

**EXHIBIT 4.6(f)**  
**PURCHASE PRICE ALLOCATION**

The Parties agree that the Purchase Price and all other items of consideration required to be allocated for Tax

purposes will be allocated in accordance with the following methodology:

Item	Allocation
Class I Assets (generally, cash and general bank deposit accounts other than CDs)	The In-Store Cash Amount.
Class II Assets (generally, active traded personal property (such as publicly traded securities), CDs, foreign currency)	None.
Class III Assets (generally, assets marked to market and certain debt instruments including receivables)	None.
Class IV Assets (generally, inventory)	The Purchased Inventory Amount, as finally determined in accordance with Section 1.4 of the Purchase Agreement, and the Gift Card Adjustment Amount.
Class V Assets (all assets, such as furniture and fixtures, buildings, land, vehicles, and equipment, not included in any of the other asset classes)	None.
Class VI Assets (section 197 intangibles other than goodwill and going concern value) Class VII Assets (goodwill and going concern value)	None.

## EXHIBIT 8.1

### ASSIGNED CONTRACTS

1. The Factory POs set forth on Annex 8.1 are hereby incorporated by reference.
2. Trademark License Agreement, dated April 27, 2022, by and between Wolverine World Wide, Inc. and ISA TanTec Limited.
3. The following Store Leases:

<u>Address</u>	<u>Lease Description</u>
1520 Buena Vista Dr, Orlando, FL 32821	Lease Agreement, dated February 18, 2016, as amended by that First Amendment to Lease Agreement, dated August 2, 2017, by and between Walt Disney Parks and Resorts U.S., Inc. and Hush Puppies Retail, LLC
56 Main St, Freeport, ME 04032	Lease, dated December 31, 2012, as amended by that First Amendment to Lease, as further amended by the Second Amendment to Lease, dated November 2, 2022, by and between The Denney Block, LLC and Stride Rite Children's Group, LLC
1781 Palm Beach Lakes Blvd, West Palm Beach, FL 33401	Lease, dated January 2, 2014, as amended by that Lease Assignment, Assumption and Acknowledgement, dated January 3, 2016, as further amended by that Amendment No. 1 of Lease, dated January 29, 2021, by and between Palm Beach Mall Holdings LLC and Hush Puppies Retail, LLC
2700 State Rd, Suite 603, St. Augustine, FL 32092	Lease, dated February 21, 2017, as amended by that Master Amendment, dated May 13, 2021, as further amended by that Master Amendment, dated October 31, 2022, by and between Premium Outlet Partners, L.P. and Hush Puppies Retail, LLC
29300 Hempstead Rd, Unit 1204, Cypress, TX 77433	Lease, dated September 7, 2010, as amended by that First Amendment to Lease and Landlord's Consent, dated July 28, 2015, as further amended by that Master Amendment, dated May 13, 2021, as further amended by that Master Amendment, dated October 31, 2022, by and between CPG Houston Holdings, L.P. and Hush Puppies Retail, Inc.
36445 Seaside Outlet Dr, Rehoboth Beach, DE 19971	Lease Agreement, dated March 31, 2015, as amended by that First Lease Modification Agreement, dated June 5, 2015, as further amended by that Lease Assignment, Assumption and Acknowledgement, dated January 3, 2016, by and between Coroc/Rehoboth III L.L.C. and Hush Puppies Retail, LLC
1650 Premium Outlet Blvd, Unit 1350, Aurora, IL 60502	Lease, dated July 15, 2015, as amended by that Secretary's Certificate, dated August 4, 2022, by and between Chicago Premium Outlets Expansion, LLC and Stride Rite Children's Group, LLC
2312 Grand Cypress Dr, Unit 805, Lutz, FL 33559	Lease, dated August 18th, 2015, as amended by that Lease Assignment, Assumption and Acknowledgement, dated January 3, 2016, as further amended by that Secretary's Certificate, dated August 4, 2022, by and between Tampa Premium Outlets, LLC and Hush Puppies Retail, LLC
400 S Wilson Rd, Sunbury, Suite 606, OH 43074	Lease Agreement, dated February 26, 2016, by and between Columbus Outlets, LLC and Stride Rite Children's Group, LLC
1100 Cornerstone Blvd, Suite 1062, Daytona Beach, FL 32117	Lease Agreement, dated December 7, 2015, as amended by that Lease Assignment, Assumption and Acknowledgement, dated January 3, 2016, by and between Tanger Daytona, LLC and Hush Puppies Retail, LLC
200 Tanger Outlets Blvd, Suite 347, Pooler, GA 31322	Supplemental Agreement, dated January 18, 2019, by and between Outlet Mall of Savannah, LLC and Hush Puppies Retail, LLC
10839 Kings Rd, Suite 735, Myrtle Beach, SC 29572	Supplemental Agreement, dated January 18, 2019, by and between TWMB Associates, LLC and Hush Puppies Retail, LLC
4000 Arrowhead Blvd, Suite 720, Mebane, NC 27302	Supplemental Agreement, dated January 18, 2019, by and between Tanger Properties Limited Partnership and Hush Puppies Retail, LLC

<b><u>Address</u></b>	<b><u>Lease Description</u></b>
4840 Tanger Outlet Blvd, Suite 904, North Charleston, SC 29418	Supplemental Agreement, dated January 18, 2019, by and between Tanger Charleston, LLC and Hush Puppies Retail, LLC
1645 Parkway, Suite 660, Sevierville, TN 37862	Supplemental Agreement, dated January 18, 2019, by and between Tanger Properties Limited Partnership and Hush Puppies Retail, LLC
311 Stanley K Tanger Dr, Suite 1120, Lancaster, PA 17602	Supplemental Agreement, dated January 18, 2019, by and between Tanger Properties Limited Partnership and Hush Puppies Retail, LLC.
5383 Factory Shops Blvd, Unit 580, Ellenton, FL 34222	Lease, dated March 29, 2019, by and between Gulf Coast Factor Shops Limited Partnership and Hush Puppies Retail, LLC
5715 Richmond Rd, Unit C045, Williamsburg, VA 23188	Lease, dated March 29, 2019, by and between Williamsburg Outlets, L.L.C. and Hush Puppies Retail, LLC
5506 New Fashion Way, Unit 310, Charlotte, NC 28278	Lease, dated August 7, 2019, by and between Charlotte Outlets, LLC and Hush Puppies Retail, LLC
375 US-1, Unit T160 Suite 9, Kittery, ME 03904	Lease, dated August 27, 2019, as amended by that Master Amendment, dated May 13, 2021, by and between Kittery Premium Outlets, LLC and Stride Rite Children's Group, LLC
10801 Corkscrew Road, Suite 333, Estero, FL 33928	Lease Agreement, dated February 21, 2019, as amended by that First Lease Modification Amendment, dated September 24, 2020, by and between Miromar Outlet West, LLC and Hush Puppies Retail, LLC
7100 S Croatan Hwy, Nags Head, NC 27959	Lease, dated March 4, 2022, by and between SRE Mustang, LLC and Hush Puppies Retail, LLC
1439 US-9, Lake George, NY 12845	Agreement of Lease, dated February 11, 2022, by and between L&M Associates, LLC and Stride Rite Children's Group, LLC

**LIST OF EXHIBITS AND SCHEDULES OMITTED FROM THE  
PURCHASE AGREEMENT**

1. ANNEX 8.1. FACTORY POs
2. EXHIBIT 8.2. ASSIGNMENT AND ASSUMPTION AGREEMENT
3. EXHIBIT 8.3. CERTAIN ASSUMED LIABILITIES
4. EXHIBIT 8.4. BILL OF SALE
5. EXHIBIT 8.5. PURCHASED ASSETS
6. EXHIBIT 8.6. PURCHASED INVENTORY AMOUNT CALCULATION
7. EXHIBIT 8.7. FORM OF TRANSITION SERVICES AGREEMENT
8. EXHIBIT 8.8. EXCLUDED CLOSING STORES

## SUBSIDIARIES OF THE REGISTRANT

Name	State or Country of Incorporation or Organization
Gemini Asia Merrell, LLC	Delaware
Gemini Asia Saucony, LLC	Delaware
Gemini Intellectual Property, LLC	Delaware
Gemini Operations B.V.	The Netherlands
Goldstar Sourcing HK Limited	Hong Kong
Hush Puppies Retail, LLC	Michigan
d/b/a Merrell	
Saucony	
Sperry	
Sperry / Saucony	
Sperry Top-Sider	
Sperry Top-Sider / Saucony	
Kedxit, LLC	Massachusetts
Krause Cayman Ltd.	Cayman Islands
Krause Global B.V.	The Netherlands
Krause Leathers (Thailand) Limited	Thailand
Lady of Leisure Holdings Limited	England & Wales
Lifestyle and Heritage Brands of Mexico, S. de R.L. de C.V.	Mexico
Lifestyle and Heritage Servicios S. de R.L. de C.V.	Mexico
LifeStyle Brands (BVI) Limited	British Virgin Islands
LifeStyle Brands (HK) Limited	Hong Kong
LifeStyle Brands (Shanghai) Limited	People's Republic of China
Merrell Brand Operations (HK) Limited	Hong Kong
Merrell Brand Operations Limited	British Virgin Islands
Merrell Distribution Operations (HK) Limited	Hong Kong
Merrell Distribution Operations Limited	British Virgin Islands
Rockford ARS, LLC	Delaware
Rockford Global B.V.	The Netherlands
Rockford Wolverine HK Limited	Hong Kong
Saucony Brand Operations (HK) Limited	Hong Kong
Saucony Brand Operations Limited	British Virgin Islands
Saucony Distribution Operations (HK) Limited	Hong Kong
Saucony Distribution Operations Limited	British Virgin Islands
Saucony IP Holdings LLC	Delaware
Saucony, Inc.	Massachusetts
Spartan Shoe Company Limited	Cayman Islands
Sperry Top-Sider, LLC	Massachusetts
SR Holdings, LLC	Delaware
SR/Ecom, LLC	Massachusetts
SRL, LLC	Delaware
Stride Rite Children's Group, LLC	Massachusetts
d/b/a Merrell	

Name	State or Country of Incorporation or Organization
Rockford Footwear Depot	
Saucony	
Saucony / Sperry Top-Sider	
Sperry	
Sperry Since 1935	
Sperry Top-Sider	
Saucony Footwear	
Merrell Footwear	
Online Shoes	
Stride Rite International Corp.	Massachusetts
Stride Rite International Services Brazil Ltda	Brazil
Sweaty Betty Ireland Digital Limited	Republic of Ireland
Sweaty Betty Ireland Limited	Republic of Ireland
Sweaty Betty Ireland Retail Limited	Republic of Ireland
Sweaty Betty Limited	England & Wales
Sweaty Betty (Shanghai) Commercial Limited	People's Republic of China
Sweaty Betty Trading Limited	England & Wales
Sweaty Betty USA Digital LLC	Delaware
Sweaty Betty USA TopCo Inc.	Delaware
Sweaty Betty USA Wholesale LLC	Delaware
The Stride Rite Corporation	Massachusetts
Wolverine Chile SpA	Chile
Wolverine Consulting Services (Zhuhai) Company Limited	People's Republic of China
Wolverine de Mexico, S.A. de C.V.	Mexico
Wolverine Distribution, Inc.	Delaware
Wolverine Europe B.V.	The Netherlands
Wolverine Europe Limited	England & Wales
Wolverine Europe Retail Limited	England & Wales
Wolverine Italia S.r.l.	Italy
Wolverine Outdoors, Inc.	Michigan
Wolverine Product Management, LLC	Michigan
Wolverine Sourcing, Inc.	Michigan
Wolverine Sourcing, Ltd.	Cayman Islands
Wolverine Trading (HK) Limited	Hong Kong
Wolverine Trading (Zhuhai) Company Limited	People's Republic of China
Wolverine Vietnam LLC	Vietnam
Wolverine World Wide Canada ULC	Alberta
Wolverine World Wide HK Limited	Hong Kong
Wolverine Worldwide Brands Private Limited	India
Wolverine Worldwide Leathers HK Limited	Hong Kong
Wolverine Worldwide Leathers, Inc.	Delaware
Xiamen Merrell Brand Operations Co., Ltd	People's Republic of China
Xiamen Merrell Outdoors Co., Ltd	People's Republic of China
Xiamen Saucony Brand Operations Co., Ltd	People's Republic of China
Xiamen Saucony Sports Co., Ltd	People's Republic of China



## CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-8 No. 333-93563) pertaining to the 1999 Stock Incentive Plan of Wolverine World Wide, Inc.,
- (2) Registration Statement (Form S-8 No. 333-88898) pertaining to the Amended and Restated Outside Directors' Deferred Compensation Plan of Wolverine World Wide, Inc.,
- (3) Registration Statement (Form S-8 No. 333-97917) pertaining to the Amended and Restated Directors' Stock Option Plan of Wolverine World Wide, Inc.,
- (4) Registration Statement (Form S-8 No. 333-106973) pertaining to the 2003 Stock Incentive Plan of Wolverine World Wide, Inc.,
- (5) Registration Statement (Form S-8 No. 333-129202) pertaining to the 2005 Stock Incentive Plan of Wolverine World Wide, Inc.,
- (6) Registration Statement (Form S-8 No. 333-165201) pertaining to the 2010 Stock Incentive Plan of Wolverine World Wide, Inc.,
- (7) Registration Statement (Form S-8 No. 333-186914) pertaining to the 2013 Stock Incentive Plan of Wolverine World Wide, Inc.,
- (8) Registration Statement (Form S-8 No. 333-210771) pertaining to the 2016 Stock Incentive Plan of Wolverine World Wide, Inc.,
- (9) Registration Statement (Form S-8 No. 333-224761) pertaining to the Amended and Restated 2016 Stock Incentive Plan of Wolverine World Wide, Inc.,
- (10) Registration Statement (Form S-8 No. 333-256085) pertaining to the Amended and Restated 2016 Stock Incentive Plan of Wolverine World Wide, Inc., and
- (11) Registration Statement (Form S-8 No. 333-271835) pertaining to the Amended and Restated 2016 Stock Incentive Plan of Wolverine World Wide, Inc.;

of our reports dated February 22, 2024, with respect to the consolidated financial statements and schedule of Wolverine World Wide, Inc. and subsidiaries and the effectiveness of internal control over financial reporting of Wolverine World Wide, Inc. and subsidiaries included in this Annual Report (Form 10-K) of Wolverine World Wide, Inc. for the year ended December 30, 2023.

/s/ Ernst & Young LLP

Grand Rapids, Michigan

February 22, 2024

**CERTIFICATION**

I, Christopher E. Hufnagel, certify that:

1. I have reviewed this Annual Report on Form 10-K of Wolverine World Wide, 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(s) 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(s) 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: February 22, 2024

/s/ Christopher E. Hufnagel

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Christopher E. Hufnagel  
President and Chief Executive Officer  
Wolverine World Wide, Inc.

**CERTIFICATION**

I, Michael D. Stornant, certify that:

1. I have reviewed this Annual Report on Form 10-K of Wolverine World Wide, 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(s) 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(s) 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: February 22, 2024

/s/ Michael D. Stornant

Michael D. Stornant

Executive Vice President, Chief Financial Officer and Treasurer  
Wolverine World Wide, Inc.

**CERTIFICATIONS**

Solely for the purpose of complying with 18 U.S.C. § 1350, each of the undersigned hereby certifies in his capacity as an officer of Wolverine World Wide, Inc. (the “Company”) that the Annual Report of the Company on Form 10-K for the fiscal year ended December 30, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such report fairly presents, in all material respects, the financial condition of the Company at the end of such period and the results of operations of the Company for such period.

Date: February 22, 2024

/s/ Christopher E. Hufnagel

Christopher E. Hufnagel  
President and Chief Executive Officer  
(Principal Executive Officer)

/s/ Michael D. Stornant

Michael D. Stornant  
Executive Vice President, Chief Financial Officer and Treasurer  
(Principal Financial Officer)

## Wolverine World Wide, Inc.

### Policy for Recovery of Incentive Compensation

It is the policy of Wolverine World Wide, Inc. (the “Company”) that, in the event the Company is required to prepare an accounting restatement of the Company’s financial statements due to material non-compliance with any financial reporting requirement under the federal securities laws (including any such correction that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period), the Company will recover on a reasonably prompt basis the amount of any Incentive- Based Compensation Received by a Covered Executive during the Recovery Period that exceeds the amount that otherwise would have been Received had it been determined based on the restated financial statements.

#### Policy Administration and Definitions

This Policy is administered by the Compensation Committee of the Company’s Board of Directors (the “Committee”) and is intended to comply with, and as applicable to be administered and interpreted consistent with, and subject to the exceptions set forth in, Listing Standard 303A.14 adopted by the New York Stock Exchange to implement Rule 10D-1 under the Securities Exchange Act of 1934, as amended (collectively, “Rule 10D-1”).

For purposes of this Policy:

- » “Incentive-Based Compensation” means any compensation granted, earned or vested based in whole or in part on the Company’s attainment of a financial reporting measure that was Received by a person (i) on or after October 2, 2023, and after the person began service as a Covered Executive, and (ii) who served as a Covered Executive at any time during the performance period for the Incentive-Based Compensation. A financial reporting measure is (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements and any measure derived wholly or in part from such a measure, and (ii) any measure based in whole or in part on the Company’s stock price or total shareholder return.

Incentive-Based Compensation is deemed to be “Received” in the fiscal period during which the relevant financial reporting measure is attained, regardless of when the compensation is actually paid or awarded.

- » “Covered Executive” means any executive officer of the Company as defined under Rule 10D-1.

- » “Recovery Period” means the three completed fiscal years immediately preceding the date that the Company is required to prepare the accounting restatement described in this Policy all as determined pursuant to Rule 10D-1, and any transition period of less than nine months that is within or immediately following such three fiscal years.

If the Committee determines the amount of Incentive-Based Compensation Received by a Covered Executive during a Recovery Period exceeds the amount that would have been Received if determined or calculated based on the Company’s restated financial results, such excess amount of Incentive-Based Compensation shall be subject to recoupment by the Company pursuant to this Policy. For Incentive- Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement, the Committee will determine the amount based on a reasonable estimate of the effect of the accounting restatement on the relevant stock price or total shareholder return. In all cases, the calculation of the excess amount of Incentive-Based Compensation to be recovered will be determined without regard to any taxes paid with respect to such compensation. Any determinations made by the Committee under this Policy shall be final and binding on all affected individuals.

The Company may effect any recovery pursuant to this Policy by requiring payment of such amount(s) to the Company, by set-off, by reducing future compensation, or by such other means or combination of means as the Committee determines to be appropriate. The Company need not recover the excess amount of Incentive-Based Compensation if and to the extent that the Committee determines that such recovery is impracticable, subject to and in accordance with any applicable exceptions under the New York Stock Exchange listing rules, and not required under Rule 10D-1, including if the Committee determines that the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered after making a reasonable attempt to recover such amounts. The Company is authorized to take appropriate steps to implement this Policy with respect to Incentive-Based Compensation arrangements with Covered Executives.

Any right of recoupment or recovery pursuant to this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any other policy, any employment agreement or plan or award terms, and any other legal remedies available to the Company; provided that the Company shall not recoup amounts pursuant to such other policy, terms or remedies to the extent it is recovered pursuant to this Policy. The Company shall not indemnify any Covered Executive against the loss of any Incentive-Based Compensation pursuant to this Policy.

Last Amended: July 31, 2023