

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**  
**Form 10-K**

(Mark One)

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

For the fiscal year ended April 2, 2022

or

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

Commission File Number: 001-13057

**RALPH LAUREN CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**650 Madison Avenue, New York, New York**

(Address of principal executive offices)

**13-2622036**

(I.R.S. Employer Identification No.)

**10022**

(Zip Code)

**(212) 318-7000**

(Registrant's telephone number, including area code)

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

Title of Each Class

Trading Symbol(s)

Name of Each Exchange on which Registered

**Class A Common Stock, \$.01 par value**

**RL**

**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 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

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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

Indicate by check mark whether the registrant 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.

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 common stock held by non-affiliates of the registrant was approximately \$5.624 billion as of September 24, 2021, the last business day of the registrant's most recently completed second fiscal quarter based on the closing price of the common stock on the New York Stock Exchange.

At May 18, 2022, 45,194,105 shares of the registrant's Class A common stock, \$.01 par value and 24,881,276 shares of the registrant's Class B common stock, \$.01 par value were outstanding.

Part III incorporates by reference information from certain portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the fiscal year ended April 2, 2022.

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Various statements in this Form 10-K or incorporated by reference into this Form 10-K, in future filings by us with the Securities and Exchange Commission (the "SEC"), in our press releases, and in oral statements made from time to time by us or on our behalf constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, statements regarding our future operating results and sources of liquidity (especially in light of the COVID-19 pandemic), the implementation and impact of our strategic plans, initiatives and capital expenses, our plans regarding our quarterly cash dividend and Class A common stock repurchase programs, and our ability to meet environmental, social, and governance goals. Forward-looking statements are based on current expectations and are indicated by words or phrases such as "anticipate," "outlook," "estimate," "expect," "project," "believe," "envision," "goal," "target," "can," "will," and similar words or phrases and involve known and unknown risks, uncertainties, and other factors which may cause actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed in or implied by such forward-looking statements. These risks, uncertainties, and other factors include, among others:

- the loss of key personnel, including Mr. Ralph Lauren, or other changes in our executive and senior management team or to our operating structure, including those resulting from the recent reduction to our global workforce in connection with our long-term growth strategy, and our ability to effectively transfer knowledge and maintain adequate controls and procedures during periods of transition;
- the impact to our business resulting from the COVID-19 pandemic, including periods of reduced operating hours and capacity limits and/or temporary closure of our stores, distribution centers, and corporate facilities, as well as those of our customers, suppliers, and vendors, and potential changes to consumer behavior, spending levels, and/or shopping preferences, such as willingness to congregate in shopping centers or other populated locations;
- the impact of economic, political, and other conditions on us, our customers, suppliers, vendors, and lenders, including potential business disruptions related to the war between Russia and Ukraine, civil and political unrest, and diplomatic tensions between the U.S. and other countries;
- the potential impact to our business resulting from supply chain disruptions, including those caused by capacity constraints, closed factories and/or labor shortages (stemming from pandemic diseases, labor disputes, strikes, or otherwise), scarcity of raw materials, and port congestion, which could result in inventory shortages and lost sales;
- the potential impact to our business resulting from inflationary pressures, including increases in the costs of raw materials, transportation, wages, healthcare, and other benefit-related costs;
- our ability to recruit and retain employees to operate our retail stores, distribution centers, and various corporate functions;
- the impact to our business resulting from changes in consumers' ability, willingness, or preferences to purchase discretionary items and luxury retail products, which tends to decline during recessionary periods, and our ability to accurately forecast consumer demand, the failure of which could result in either a build-up or shortage of inventory;
- our ability to successfully implement our long-term growth strategy;
- our ability to continue to expand and grow our business internationally and the impact of related changes in our customer, channel, and geographic sales mix as a result, as well as our ability to accelerate growth in certain product categories;
- our ability to open new retail stores and concession shops, as well as enhance and expand our digital footprint and capabilities, all in an effort to expand our direct-to-consumer presence;
- our ability to respond to constantly changing fashion and retail trends and consumer demands in a timely manner, develop products that resonate with our existing customers and attract new customers, and execute marketing and advertising programs that appeal to consumers;
- our ability to effectively manage inventory levels and the increasing pressure on our margins in a highly promotional retail environment;
- our ability to competitively price our products and create an acceptable value proposition for consumers;
- our ability to continue to maintain our brand image and reputation and protect our trademarks;

- our ability to achieve our goals regarding environmental, social, and governance practices, including those related to climate change and our human capital;
- our ability and the ability of our third-party service providers to secure our respective facilities and systems from, among other things, cybersecurity breaches, acts of vandalism, computer viruses, ransomware, or similar Internet or email events;
- our efforts to successfully enhance, upgrade, and/or transition our global information technology systems and digital commerce platforms;
- the potential impact to our business if any of our distribution centers were to become inoperable or inaccessible;
- the potential impact on our operations and on our suppliers and customers resulting from man-made or natural disasters, including pandemic diseases such as COVID-19, severe weather, geological events, and other catastrophic events;
- our ability to achieve anticipated operating enhancements and cost reductions from our restructuring plans, as well as the impact to our business resulting from restructuring-related charges, which may be dilutive to our earnings in the short term;
- the impact to our business resulting from potential costs and obligations related to the early or temporary closure of our stores or termination of our long-term, non-cancellable leases;
- our ability to maintain adequate levels of liquidity to provide for our cash needs, including our debt obligations, tax obligations, capital expenditures, and potential payment of dividends and repurchases of our Class A common stock, as well as the ability of our customers, suppliers, vendors, and lenders to access sources of liquidity to provide for their own cash needs;
- the potential impact to our business resulting from the financial difficulties of certain of our large wholesale customers, which may result in consolidations, liquidations, restructurings, and other ownership changes in the retail industry, as well as other changes in the competitive marketplace, including the introduction of new products or pricing changes by our competitors;
- our ability to access capital markets and maintain compliance with covenants associated with our existing debt instruments;
- a variety of legal, regulatory, tax, political, and economic risks, including risks related to the importation and exportation of products which our operations are currently subject to, or may become subject to as a result of potential changes in legislation, and other risks associated with our international operations, such as compliance with the Foreign Corrupt Practices Act or violations of other anti-bribery and corruption laws prohibiting improper payments, and the burdens of complying with a variety of foreign laws and regulations, including tax laws, trade and labor restrictions, and related laws that may reduce the flexibility of our business;
- the potential impact to our business resulting from the imposition of additional duties, tariffs, taxes, and other charges or barriers to trade, including those resulting from trade developments between the U.S. and China, and any related impact to global stock markets, as well as our ability to implement mitigating sourcing strategies;
- changes in our tax obligations and effective tax rate due to a variety of factors, including potential changes in U.S. or foreign tax laws and regulations, accounting rules, or the mix and level of earnings by jurisdiction in future periods that are not currently known or anticipated;
- our exposure to currency exchange rate fluctuations from both a transactional and translational perspective;
- the impact to our business of events of unrest and instability that are currently taking place in certain parts of the world, as well as from any terrorist action, retaliation, and the threat of further action or retaliation;
- the potential impact to the trading prices of our securities if our operating results, Class A common stock share repurchase activity, and/or cash dividend payments differ from investors' expectations;
- our ability to maintain our credit profile and ratings within the financial community;
- our intention to introduce new products or brands, or enter into or renew alliances;
- changes in the business of, and our relationships with, major wholesale customers and licensing partners; and
- our ability to make strategic acquisitions and successfully integrate the acquired businesses into our existing operations.

These forward-looking statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. A detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations is described in Part I of this Form 10-K under the heading of "Risk Factors." We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

## WEBSITE ACCESS TO COMPANY REPORTS AND OTHER INFORMATION

Our investor website is <http://investor.ralphlauren.com>. We were incorporated in June 1997 under the laws of the State of Delaware. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed with or furnished to the SEC pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, are available free of charge at our investor website under the caption "SEC Filings" promptly after we electronically file such materials with or furnish such materials to the SEC. All such filings are also available on the SEC's website at <https://www.sec.gov>. Information relating to corporate governance at Ralph Lauren Corporation, including our Corporate Governance Policies, our Code of Business Conduct and Ethics for all directors, officers, and employees, our Code of Ethics for Principal Executive Officers and Senior Financial Officers, and information concerning our directors, Committees of the Board of Directors, including Committee charters, and transactions involving Ralph Lauren Corporation securities by directors and executive officers, are available at our website under the captions "Corporate Governance" and "SEC Filings." Paper copies of these filings and corporate governance documents are available to stockholders without charge by written request to Investor Relations, Ralph Lauren Corporation, 650 Madison Avenue, New York, New York 10022.

In this Form 10-K, references to "Ralph Lauren," "ourselves," "we," "our," "us," and the "Company" refer to Ralph Lauren Corporation and its subsidiaries, unless the context indicates otherwise. Due to the collaborative and ongoing nature of our relationships with our licensees, such licensees are sometimes referred to in this Form 10-K as "licensing alliances." Our fiscal year ends on the Saturday immediately before or after March 31. All references to "Fiscal 2023" represent the 52-week fiscal year ending April 1, 2023. All references to "Fiscal 2022" represent the 53-week fiscal year ended April 2, 2022. All references to "Fiscal 2021" represent the 52-week fiscal year ended March 27, 2021. All references to "Fiscal 2020" represent the 52-week fiscal year ended March 28, 2020.

## PART I

### Item 1. *Business.*

#### General

Founded in 1967 by Mr. Ralph Lauren, we are a global leader in the design, marketing, and distribution of premium lifestyle products, including apparel, footwear, accessories, home furnishings, fragrances, and hospitality. For more than 50 years, Ralph Lauren has sought to inspire the dream of a better life through authenticity and timeless style. Our long-standing reputation and distinctive image have been developed across a wide range of products, brands, distribution channels, and international markets. We believe that our global reach, breadth of lifestyle product offerings, and multi-channel distribution are unique among luxury and apparel companies.

We diversify our business by geography (North America, Europe, and Asia, among other regions) and channel of distribution (retail, wholesale, and licensing). This allows us to maintain a dynamic balance as our operating results do not depend solely on the performance of any single geographic area or channel of distribution. We sell directly to consumers through our integrated retail channel, which includes our retail stores, concession-based shop-within-shops, and digital commerce operations around the world. Our wholesale sales are made principally to major department stores, specialty stores, and third-party digital partners around the world, as well as to certain third-party-owned stores to which we have licensed the right to operate in defined geographic territories using our trademarks. In addition, we license to third parties for specified periods the right to access our various trademarks in connection with the licensees' manufacture and sale of designated products, such as certain apparel, eyewear, fragrances, and home furnishings.

We organize our business into the following three reportable segments: North America, Europe, and Asia. In addition to these reportable segments, we also have other non-reportable segments. See "*Our Segments*" for further discussion of our segment reporting structure.

Our global reach is extensive, as we sell directly to customers throughout the world via our 504 retail stores and 684 concession-based shop-within-shops, as well as through our own digital commerce sites and those of various third-party digital partners. Merchandise is also available through our wholesale distribution channels at approximately 9,000 doors worldwide,

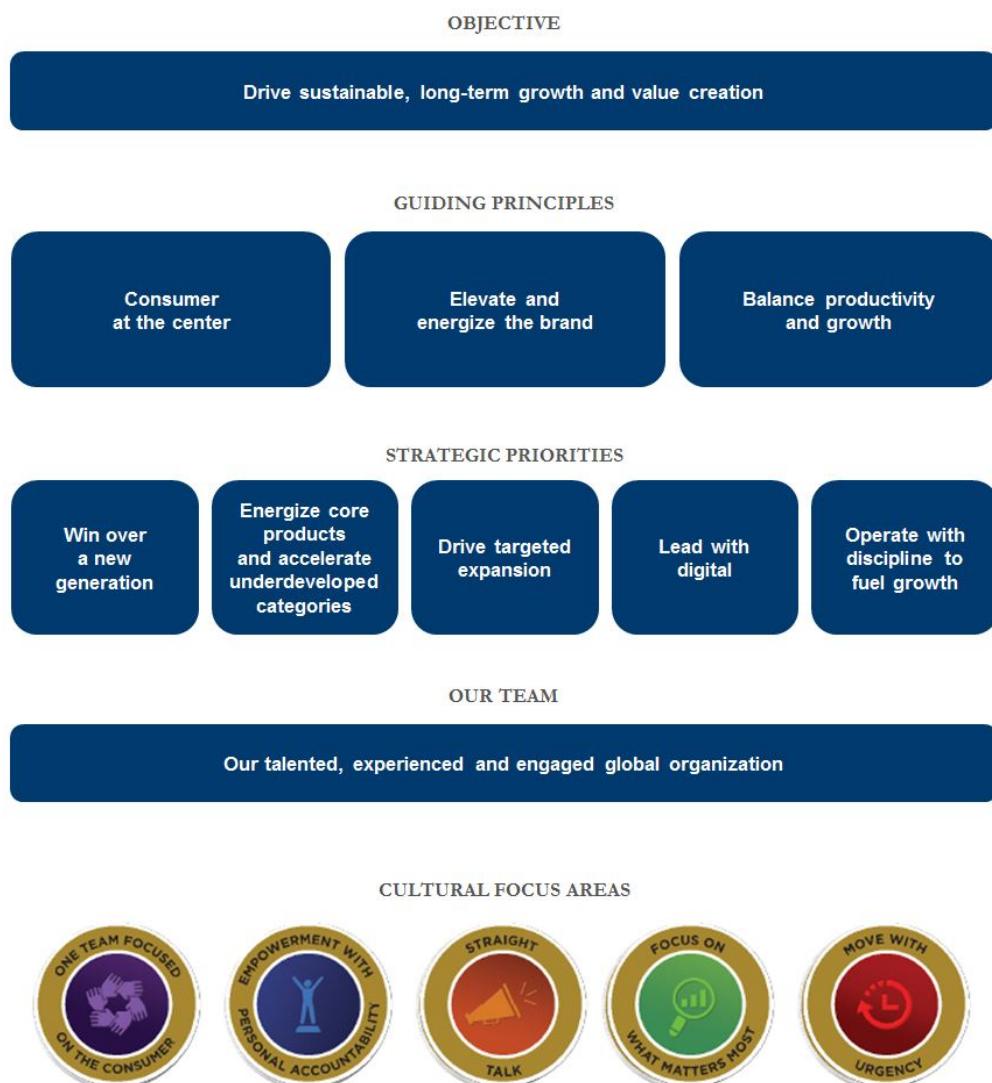
the majority in specialty stores, as well as through the digital commerce sites of many of our wholesale customers. In addition to our directly-operated stores and shops, our international licensing partners operate 148 stores and shops.

We have been controlled by the Lauren family since the founding of our Company. As of April 2, 2022, Mr. R. Lauren, or entities controlled by the Lauren family, held approximately 85% of the voting power of the Company's outstanding common stock.

### Objectives and Opportunities

Our purpose is to inspire the dream of a better life through authenticity and timeless style. We believe that our size and the global scope of our operations provide us with design, sourcing, and distribution synergies across our business. Our core strengths include a portfolio of global premium lifestyle brands, a well-diversified global multi-channel distribution network, an investment philosophy supported by a strong balance sheet, and an experienced management team. Despite the various risks and uncertainties associated with the current global economic environment, as discussed further in Item 7 — *"Management's Discussion and Analysis of Financial Condition and Results of Operations — Global Economic Conditions and Industry Trends,"* we believe our core strengths will allow us to execute our long-term growth strategy.

An overview of our long-term growth strategy is presented below:



## **Global Citizenship and Sustainability**

Global citizenship and sustainability at Ralph Lauren is rooted in the heritage of our brand and our purpose to inspire the dream of a better life through authenticity and timeless style. We believe that delivering the next 50 years for Ralph Lauren means rethinking our impact on the environment and society and utilizing creativity, the power of design, and innovative technologies to drive meaningful change. We call our citizenship and sustainability plan "Design the Change," and through this strategy, we're creating a more sustainable future in three key areas:

### **1. Create Timeless Style**

- *Responsible Design* — We commit to embedding sustainability, inclusivity, intention, and celebration into the products and services we design.
- *Circularity* — We are committed to a comprehensive circular strategy, whereby we will inform our product development and support more circular systems in our industry by designing out waste and pollution, keeping products and materials in use, and regenerating natural systems.
- *Sustainable Materials* — We commit to using more materials in a way that results in positive social and environmental outcomes, protects biodiversity, advances animal welfare, and continuously improves traceability of our raw materials.
- *Sustainable Spaces* — We are committed to designing and building Ralph Lauren stores with materials that minimize environmental impact and maximize occupant health.
- *Chemical Management* — We commit to monitor and reduce hazardous chemical use and discharge and we are working to eliminate all hazardous chemicals from our product manufacturing.

### **2. Protect the Environment**

- *Carbon and Energy* — We are committed to playing our part to address the climate crisis by reducing greenhouse gas emissions across our value chain and investing in credible emission removals.
- *Water Stewardship* — We commit to reducing water consumption across our value chain and to safeguarding and preserving water resources in our communities.
- *Waste Management* — We commit to integrating zero-waste principles across our business, focusing on reducing waste at its source and diverting waste from landfill through increased recycling and upcycling.
- *Sustainable Packaging* — We commit to our packaging material being recyclable, reusable, or sustainably sourced.

### **3. Champion Better Lives**

- *Diversity, Equity, and Inclusion* — We unite and inspire the communities within our Company, as well as those we serve, by amplifying voices and perspectives to create a culture of belonging, equality, inclusion, and fairness for all.
- *Community Engagement and Philanthropy* — We commit to making a meaningful difference in our communities through our global employee volunteerism and our dedication to social and environmental causes.
- *Worker Empowerment and Well-being* — We are committed to conducting our global operations ethically and with respect for the dignity of all people who make our products. We aim to enrich the quality of work and life for everyone in our supply chain, ensuring they all have the opportunity to reach their full potential in a safe and inclusive environment.

Additional information relating to Design the Change can be found in our annual sustainability reports, which is available at our website at <http://investor.ralphlauren.com> under the caption "Global Citizenship & Sustainability Report." Our 2022 Global Citizenship & Sustainability Report is expected to be published in June 2022. The content of our sustainability

reports is not incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC. See Item 1A — "Risk Factors — Risks Related to Environmental, Social, and Governance Issues."

## Recent Developments

### ***COVID-19 Pandemic***

Beginning in the fourth quarter of our Fiscal 2020, a novel strain of coronavirus commonly referred to as COVID-19 emerged and spread rapidly across the globe, including throughout all major geographies in which we operate, resulting in adverse economic conditions and business disruptions, as well as significant volatility in global financial markets. Since then, governments worldwide have periodically imposed varying degrees of preventative and protective actions, such as temporary travel bans, forced business closures, and stay-at-home orders, all in an effort to reduce the spread of the virus. Such factors, among others, have resulted in a significant decline in retail traffic, tourism, and consumer spending on discretionary items. Additionally, companies across a wide array of industries have implemented various initiatives to reduce operating expenses and preserve cash balances during the pandemic, including work furloughs, reduced pay, and severance actions, which could lower consumers' disposable income levels or willingness to purchase discretionary items. Such government restrictions, company initiatives, and other macroeconomic impacts resulting from the pandemic could continue to adversely affect consumer behavior, spending levels, and/or shopping preferences, such as willingness to congregate in indoor shopping centers or other populated locations.

As a result of the COVID-19 pandemic, we have experienced varying degrees of business disruptions and periods of closure of our stores, distribution centers, and corporate facilities, as have our wholesale customers, licensing partners, suppliers, and vendors. During the first quarter of Fiscal 2021 at the peak of the pandemic, the majority of our stores in key markets were closed for an average of 8 to 10 weeks due to government-mandated lockdowns and other restrictions, resulting in significant adverse impacts to our operating results. Resurgences and outbreaks in certain parts of the world resulted in further business disruptions periodically throughout Fiscal 2021, most notably in Europe where a significant number of our stores were closed for approximately two to three months during the second half of Fiscal 2021, including during the holiday period, due to government-mandated lockdowns and other restrictions. Such disruptions continued throughout Fiscal 2022 in certain regions, although to a lesser extent than the comparable prior year fiscal period. Further, throughout the course of the pandemic, the majority of our stores that were able to remain open have periodically been subject to limited operating hours and/or customer capacity levels in accordance with local health guidelines, with traffic remaining challenged. However, our digital commerce operations have grown significantly from pre-pandemic levels, due in part to our investments and enhanced capabilities, as well as changes in consumer shopping preferences. Our wholesale and licensing businesses have experienced similar impacts, particularly in North America and Europe.

The COVID-19 pandemic also continues to adversely impact our distribution, logistic, and sourcing partners, including temporary factory closures, labor shortages, vessel, container and other transportation shortages, and port congestion. Such disruptions have reduced the availability of inventory, delayed timing of inventory receipts, and resulted in increased costs for the both the purchase and transportation of such inventory.

Throughout the course of the pandemic, our priority has been to ensure the safety and well-being of our employees, customers, and the communities in which we operate around the world. We continue to consider the guidance of local governments and global health organizations and have implemented new health and safety protocols in our stores, distribution centers, and corporate facilities. We also took various preemptive actions in the prior fiscal year to preserve cash and strengthen our liquidity position, as described in the Fiscal 2021 10-K. Such actions included, but were not limited to, issuing \$1.250 billion of unsecured senior notes, temporarily suspending our quarterly cash dividend and common stock repurchase programs, temporarily reducing the base compensation of our executives and senior management team, and temporarily furloughing or reducing work hours for a significant portion of our employees.

Despite the introduction of COVID-19 vaccines and improvements in the global economy as a whole during Fiscal 2022, the pandemic remains volatile and continues to evolve, including the emergence of variants of the virus, such as the Delta and Omicron variants, which has and could continue to adversely affect consumer sentiment and confidence. Accordingly, we cannot predict for how long and to what extent the pandemic will continue to impact our business operations or the overall global economy. We will continue to assess our operations location-by-location, considering the guidance of local governments and global health organizations.

See Item 1A — "Risk Factors — Risks Related to Macroeconomic Conditions — Infectious disease outbreaks, such as the COVID-19 pandemic, could have a material adverse effect on our business" for additional discussion regarding risks to our business associated with the COVID-19 pandemic.

## **Fiscal 2021 Strategic Realignment Plan**

We have undertaken efforts to realign our resources to support future growth and profitability, and to create a sustainable, enhanced cost structure. The key initiatives underlying these efforts involve evaluation of our: (i) team organizational structures and ways of working; (ii) real estate footprint and related costs across our corporate offices, distribution centers, and direct-to-consumer retail and wholesale doors; and (iii) brand portfolio.

In connection with the first initiative, on September 17, 2020, our Board of Directors approved a restructuring plan (the "Fiscal 2021 Strategic Realignment Plan") to reduce our global workforce. Additionally, during a preliminary review of our store portfolio during the second quarter of Fiscal 2021, we made the decision to close our Polo store on Regent Street in London.

Shortly thereafter, on October 29, 2020, we announced the planned transition of our Chaps brand to a fully licensed business model, consistent with our long-term brand elevation strategy and in connection with our third initiative. Specifically, we have entered into a multi-year licensing partnership, which took effect on August 1, 2021 following a transition period, with an affiliate of 5 Star Apparel LLC, a division of the OVED Group, to manufacture, market, and distribute Chaps menswear and womenswear. The products are being sold at existing channels of distribution with opportunities for expansion into additional channels and markets globally. This agreement has created incremental value for the Company by enabling an even greater focus on elevating our core brands in the marketplace, reducing our direct exposure to the North America department store channel, and setting up Chaps to deliver on its potential with an experienced partner that is focused on nurturing the brand.

Later, on February 3, 2021, our Board of Directors approved additional actions related to our real estate initiative. Specifically, we are in the process of further rightsizing and consolidating our global corporate offices to better align with our organizational profile and new ways of working. We also have closed, and may continue to close, certain of our stores to improve overall profitability. Additionally, we further consolidated our North America distribution centers in order to drive greater efficiencies, improve sustainability, and deliver a better consumer experience.

Finally, on June 26, 2021, in connection with our brand portfolio initiative, we sold our former Club Monaco business to Regent, L.P. ("Regent"), a global private equity firm, with no resulting gain or loss on sale realized during the first quarter of Fiscal 2022. Regent acquired Club Monaco's assets and liabilities in exchange for potential future cash consideration payable to us, including earn-out payments based on Club Monaco meeting certain defined revenue thresholds over a five-year period. Accordingly, we may realize amounts in the future related to the receipt of such contingent consideration. Additionally, in connection with this divestiture, we are providing Regent with certain operational support for a transitional period of approximately one year, varying by functional area.

In connection with the Fiscal 2021 Strategic Realignment Plan, we have recorded cumulative pre-tax charges of \$262.1 million, of which \$25.3 million and \$236.8 million were recorded during Fiscal 2022 and Fiscal 2021, respectively. Actions associated with the Fiscal 2021 Strategic Realignment Plan were substantially completed by the end of Fiscal 2022, with certain remaining actions expected to be completed during Fiscal 2023. We now expect total charges of up to \$300 million to be incurred in connection with this plan, consisting of cash-related charges of approximately \$180 million and non-cash charges of approximately \$120 million. Actions associated with this plan are expected to result in gross annualized pre-tax expense savings of approximately \$200 million, a portion of which is being reinvested back into the business.

See Note 9 to our accompanying consolidated financial statements for additional discussion regarding charges recorded in connection with the Fiscal 2021 Strategic Restructuring Plan.

## Our Brands and Products

Our products, which include apparel, footwear, accessories, and fragrance collections for men and women, as well as childrenswear and home furnishings, together with our hospitality portfolio, comprise one of the most widely recognized families of consumer brands. Reflecting a distinctive American perspective, we have been an innovator in aspirational lifestyle branding and believe that, under the direction of internationally renowned designer Mr. Ralph Lauren, we have had a considerable influence on the way people dress and the way that fashion is advertised throughout the world.

We combine consumer insight with our design, marketing, and imaging skills to offer, along with our licensing alliances, broad lifestyle product collections with a unified vision:

- *Apparel* — Our apparel products include extensive collections of men's, women's, and children's clothing, which are sold under various brand names, including Ralph Lauren Collection, Ralph Lauren Purple Label, Polo Ralph Lauren, Double RL, Lauren Ralph Lauren, Polo Golf Ralph Lauren, Ralph Lauren Golf, RLX Ralph Lauren, Polo Ralph Lauren Children, and Chaps, among others.
- *Footwear and Accessories* — Our range of footwear and accessories encompasses men's, women's, and children's, including casual shoes, dress shoes, boots, sneakers, sandals, eyewear, watches, fashion and fine jewelry, scarves, hats, gloves, umbrellas, and leather goods, including handbags, luggage, small leather goods, and belts, which are sold under our Ralph Lauren Collection, Ralph Lauren Purple Label, Double RL, Polo Ralph Lauren, Lauren Ralph Lauren, Polo Ralph Lauren Children, and Chaps brands.
- *Fragrance* — Our fragrance offerings capture the essence of Ralph Lauren's men's and women's brands with numerous labels, designed to appeal to a variety of audiences. Women's fragrance products are sold under our Ralph Lauren Collection, Woman by Ralph Lauren, Romance Collection, and Ralph Collection. Men's fragrance products are sold under our Polo Blue, Ralph's Club, Purple Label, Polo Red, Polo Green, Polo Black, Safari, Polo Sport, and Big Pony Men's brands.
- *Home* — Our home collections, which are sold under our Ralph Lauren, Polo, Lauren by Ralph Lauren, and Chaps brands, reflect the spirit of the Ralph Lauren lifestyle. Our range of home products includes bed and bath lines, furniture, fabric and wallcoverings, lighting, tabletop, kitchen linens, floor coverings, and giftware.
- *Hospitality* — Continuing to engage our consumers with experiential and unique expressions of the brand, our hospitality portfolio is a natural extension of the World of Ralph Lauren as expressed through the culinary arts. Ralph Lauren's global hospitality collection is comprised of our restaurants including *The Polo Bar* in New York City, *RL Restaurant* located in Chicago, *Ralph's* located in Paris, *The Bar at Ralph Lauren* located in Milan, and our *Ralph's Coffee* concept in various cities around the world.

Our lifestyle brand image is reinforced by our distribution through our stores and concession-based shop-within-shops, our wholesale channels of distribution, our global digital commerce sites, and our Ralph Lauren restaurants and cafés. We sell our products under the following key brand platforms:

### 1. **Ralph Lauren Luxury** — Our Luxury group includes:

*Ralph Lauren Collection and Ralph Lauren Purple Label.* Ralph Lauren Collection embodies the highest expression of chic, feminine glamour. Each piece is inspired by a vision of timeless luxury and modern elegance, and is crafted with unparalleled passion and artistry. For men, Ralph Lauren Purple Label is the ultimate expression of luxury for the modern gentleman. Refined suitings are hand-tailored, including custom made-to-measure suits crafted in the time-honored traditions of Savile Row. Purple Label's sophisticated sportswear is designed with a meticulous attention to detail, capturing the elegance and ease of Ralph Lauren's signature, timeless style. Ralph Lauren Collection and Ralph Lauren Purple Label are available in select Ralph Lauren stores around the world, an exclusive selection of the finest specialty stores, and online at our Ralph Lauren digital commerce sites, including RalphLauren.com.

*Double RL.* Named after Ralph Lauren's working cattle ranch in Colorado, Double RL is a tribute to America's pioneering spirit and tradition of rugged independence. The foundation of Double RL lies in timeless wardrobe staples for men and women, including authentic American made selvedge denim, military-grade chinos, tube-knit t-shirts, thermals, and flannels. Beyond these iconic styles are added seasonal vintage-inspired collections, along with a full collection of footwear and accessories, including quality belts, bags, and leather goods. Double RL is available at Double

RL stores, at select Ralph Lauren stores, and an exclusive selection of the finest specialty stores around the world, as well as online at our Ralph Lauren digital commerce sites, including [RalphLauren.com](#).

*Ralph Lauren Home.* Ralph Lauren Home represents a full expression of modern luxury — style is a life well-lived. Based on an immersive design ethos, the collection includes furniture, lighting, bed and bath linens, tabletop, decorative accessories and gifts, as well as fabric, wallcoverings, and floorcoverings. Each piece is crafted with the greatest attention to detail. Ralph Lauren Home offers exclusive luxury goods at select Ralph Lauren stores and select wholesale partners, home specialty stores, trade showrooms, and online at our Ralph Lauren digital commerce site, [RalphLauren.com](#).

*Ralph Lauren Watches and Jewelry.* We offer a premier collection of Swiss-made timepieces, which embody Ralph Lauren's passion for impeccable quality and exquisite design. We also offer premium collections of jewelry, which capture the glamour and craftsmanship of Ralph Lauren's most luxurious designs, from every day collections to the most refined and precious materials. Ralph Lauren watches and jewelry are available online at [RalphLauren.com](#), at select Ralph Lauren stores, and a few of the finest watch and jewelry retailers around the world.

**2. Polo Ralph Lauren** — The Polo Ralph Lauren group includes:

*Polo Ralph Lauren.* Men's Polo combines Ivy League classics and time-honored English haberdashery with downtown styles and all-American sporting looks in sportswear and tailored clothing. Women's Polo represents the epitome of classic and iconic American style with a modern and cool twist. Polo's signature aesthetic includes our renowned polo player logo. Polo Sport reflects the active lifestyle and youthful energy of Polo's sporting roots through Men's and Women's activewear. Men's and Women's Polo apparel, footwear, and accessories are available in Polo and Ralph Lauren stores around the world, better department and specialty stores, and online at our Ralph Lauren digital commerce sites, including [RalphLauren.com](#).

*Polo Ralph Lauren Children.* Polo Ralph Lauren Children is designed to reflect the timeless heritage and modern spirit of Ralph Lauren's collections for men and women. Signature classics include iconic polo knit shirts and luxurious cashmere cable-knit sweaters. Polo Ralph Lauren Children is available in a full range of sizes, from baby to girls 2-16 and boys 2-20. Polo Ralph Lauren Children can be found in select Polo and Ralph Lauren stores around the world, better department stores, and online at our Ralph Lauren digital commerce sites, including [RalphLauren.com](#), as well as certain of our retailer partner digital commerce sites.

*RLX Ralph Lauren.* RLX is the leading edge of Ralph Lauren's performance and activewear. Comprised of functional apparel that address the performance needs of a modern active lifestyle, RLX includes men's and women's apparel and accessories that represent Ralph Lauren's belief that things that are purposefully designed and made of the highest quality achieve a timeless elegance.

*Polo Golf Ralph Lauren, Ralph Lauren Golf, and RLX Ralph Lauren Golf.* Tested and worn by top-ranked professional golfers, Polo Golf Ralph Lauren, Ralph Lauren Golf, and RLX Ralph Lauren Golf for men and women define excellence in the world of golf. With a sharpened focus on the needs of the modern player but rooted in the rich design tradition of Ralph Lauren, the Golf collections combine state-of-the-art performance wear with luxurious finishing touches. Our Golf collections are available in select Polo stores, exclusive private clubs and resorts, and online at [RalphLauren.com](#).

*Pink Pony.* The Pink Pony campaign is our worldwide initiative in the fight against cancer. In the U.S., a percentage of sales from Pink Pony products benefit the Pink Pony Fund of the Ralph Lauren Corporate Foundation, which supports cancer-related programs for early diagnosis, education, treatment, and research, and is dedicated to bringing patient navigation and quality cancer care to medically underserved communities. Internationally, a network of local cancer charities around the world benefit from the sale of Pink Pony products. Pink Pony consists of dual gender sportswear and accessories. Pink Pony items feature our iconic pink polo player – a symbol of our commitment to the fight against cancer. Pink Pony is available at select Polo and Ralph Lauren stores and online at our Ralph Lauren digital commerce sites, including [RalphLauren.com](#). Pink Pony is also available at select Macy's stores and online at [Macys.com](#).

**3. Lauren Ralph Lauren** — Our Lauren group includes:

*Lauren Ralph Lauren.* Lauren for women combines aspirational timeless style with modern femininity in a lifestyle collection of sportswear, denim, and dresses, as well as footwear and accessories. Lauren for women is available in select department stores around the world and online at select digital commerce sites, including RalphLauren.com. Lauren for men offers a complete collection of men's tailored clothing, including suits, sport coats, dress shirts, dress pants, tuxedos, topcoats, and ties at a more accessible price point. Lauren for men is available at select department stores in North America and Europe.

*Lauren Home.* Lauren Home collection includes accessibly-priced, timeless bath and bedding collections, as well as kitchen linens, floorcoverings, and lighting. The collection is built upon an assortment of essentials that is designed to be mixed with seasonal updates, all rooted in the brand's classic style.

**4. Chaps** — Chaps celebrates real American style, delivering classic collections updated for modern lifestyles for men, women, children and home. The modern lifestyle collection offers versatile sportswear, workday essentials, tailored clothing, and occasion dresses that are wearable from season to season. Chaps is available in select department stores and retail partner digital commerce sites across the U.S., Canada, and Mexico. Refer to "*Recent Developments*" for discussion regarding the recent transition of our Chaps brand to a fully licensed business model.

### **Our Segments**

We organize our business into the following three reportable segments:

- *North America* — Our North America segment, representing approximately 48% of our Fiscal 2022 net revenues, primarily consists of sales of our Ralph Lauren branded apparel, footwear, accessories, home furnishings, and related products made through our retail and wholesale businesses in the U.S. and Canada. In North America, our retail business is primarily comprised of our Ralph Lauren stores, our factory stores, and our digital commerce site, www.RalphLauren.com. Our wholesale business in North America is comprised primarily of sales to department stores and, to a lesser extent, specialty stores.
- *Europe* — Our Europe segment, representing approximately 28% of our Fiscal 2022 net revenues, primarily consists of sales of our Ralph Lauren branded apparel, footwear, accessories, home furnishings, and related products made through our retail and wholesale businesses in Europe and emerging markets. In Europe, our retail business is primarily comprised of our Ralph Lauren stores, our factory stores, our concession-based shop-within-shops, and our various digital commerce sites. Our wholesale business in Europe is comprised primarily of a varying mix of sales to both department stores and specialty stores, depending on the country, as well as to various third-party digital partners.
- *Asia* — Our Asia segment, representing approximately 21% of our Fiscal 2022 net revenues, primarily consists of sales of our Ralph Lauren branded apparel, footwear, accessories, home furnishings, and related products made through our retail and wholesale businesses in Asia, Australia, and New Zealand. Our retail business in Asia is primarily comprised of our Ralph Lauren stores, our factory stores, our concession-based shop-within-shops, and our various digital commerce sites. In addition, we sell our products online through various third-party digital partner commerce sites. Our wholesale business in Asia is comprised primarily of sales to department stores, with related products distributed through shop-within-shops.

No operating segments were aggregated to form our reportable segments. In addition to these reportable segments, we also have other non-reportable segments, representing approximately 3% of our Fiscal 2022 net revenues, which primarily consist of Ralph Lauren and Chaps branded royalty revenues earned through our global licensing alliances. In addition, prior to its disposition at the end of our first quarter of Fiscal 2022, our other non-reportable segments also included sales of Club Monaco branded products made through our retail and wholesale businesses in the U.S., Canada, and Europe, and our licensing alliances in Asia. Refer to "*Recent Developments*" for additional discussion regarding the disposition of our former Club Monaco business, as well as the recent transition of our Chaps business to a fully licensed business model.

This segment structure is consistent with how we establish our overall business strategy, allocate resources, and assess performance of our Company.

Approximately 51% of our Fiscal 2022 net revenues were earned outside of the U.S. See Note 20 to the accompanying consolidated financial statements for a summary of net revenues and operating income by segment, as well as net revenues and long-lived assets by geographic location.

### **Our Retail Business**

Our retail business sells directly to customers throughout the world via our 504 retail stores and 684 concession-based shop-within-shops, totaling approximately 4.0 million and 0.7 million square feet, respectively, as well as through our own digital commerce sites and those of various third-party digital partners. We operate our business using a global omni-channel retailing strategy that seeks to deliver an integrated shopping experience with a consistent message of our brands and products to our customers, regardless of whether they are shopping for our products in physical stores or online. We also continue to scale and expand our Connected Retail capabilities to enhance the consumer experience, which now include virtual selling appointments, Buy Online-Pick Up in Store, and mobile checkout and contactless payments, among other capabilities.

#### **Ralph Lauren Stores**

Our Ralph Lauren stores feature a broad range of apparel, footwear, accessories, watch and jewelry, fragrance, and home product assortments in an atmosphere reflecting the distinctive attitude and image of the Ralph Lauren, Polo, and Double RL brands, including exclusive merchandise that is not sold in department stores. During Fiscal 2022, we opened 31 new Ralph Lauren stores and closed 7 stores. Our Ralph Lauren stores are primarily situated in major upscale street locations and upscale regional malls, generally in large urban markets.

The following table presents the number of Ralph Lauren stores by segment as of April 2, 2022:

<b>Ralph Lauren Stores</b>	
North America	46
Europe	36
Asia	93
Total	<b>175</b>

Our 9 flagship Ralph Lauren regional store locations showcase our iconic styles and products and demonstrate our most refined merchandising techniques. In addition to generating sales of our products, our worldwide Ralph Lauren stores establish, reinforce, and capitalize on the image of our brands. Our Ralph Lauren stores range in size from approximately 500 to 37,900 square feet.

#### **Factory Stores**

We extend our reach to additional consumer groups through our 329 factory stores worldwide, which are principally located in major outlet centers. Our worldwide factory stores offer selections of our apparel, footwear, accessories, and fragrances. In addition to these product offerings, certain of our worldwide factory stores offer home furnishings. During Fiscal 2022, we opened 11 new factory stores and closed 7 stores.

The following table presents the number of factory stores by segment as of April 2, 2022:

<b>Factory Stores</b>	
North America	193
Europe	59
Asia	77
Total	<b>329</b>

Our factory stores range in size from approximately 1,100 to 28,300 square feet. Factory stores obtain products from our suppliers, our product licensing partners, and our other retail stores and digital commerce operations, and also serve as a secondary distribution channel for our excess and out-of-season products.

### **Concession-based Shop-within-Shops**

The terms of trade for shop-within-shops are largely conducted on a concession basis, whereby inventory continues to be owned by us (not the department store) until ultimate sale to the end consumer. The salespeople involved in the sales transactions are generally our employees and not those of the department store.

The following table presents the number of concession-based shop-within-shops by segment as of April 2, 2022:

	<b>Concession-based Shop-within-Shops</b>
North America	1
Europe	29
Asia	654
Total <sup>(a)</sup>	<b>684</b>

<sup>(a)</sup> Our concession-based shop-within-shops were located at approximately 320 retail locations.

The size of our concession-based shop-within-shops ranges from approximately 100 to 4,200 square feet. We may share in the cost of building out certain of these shop-within-shops with our department store partners.

### **Directly-Operated Digital Commerce Websites**

In addition to our stores, our retail business sells products online in North America, Europe, and Asia through our various directly-operated digital commerce sites, which include [www.RalphLauren.com](http://www.RalphLauren.com), among others. We continue to expand accessibility to our digital flagships globally while localizing language, currencies, payment methods, product assortments, and content. We also sell our products online through various third-party digital partner commerce sites, primarily in Asia, as well as through our mobile apps in North America and in the United Kingdom.

Our Ralph Lauren digital commerce sites offer our customers access to a broad array of Ralph Lauren, Polo, Lauren, and Double RL apparel, footwear, accessories, watch and jewelry, fragrance, and home product assortments, and reinforce the luxury image of our brands. While investing in digital commerce operations remains a primary focus, it is an extension of our investment in the integrated omni-channel strategy used to operate our overall retail business, in which our digital commerce operations are interdependent with our physical stores.

### **Our Wholesale Business**

Our wholesale business sells our products globally primarily to major department stores, specialty stores, and golf and pro shops, as well as to various third-party digital partners. We have continued to focus on elevating our brand by improving in-store product assortment and presentation, as well as full-price sell-throughs to consumers. As of the end of Fiscal 2022, our wholesale products were sold through approximately 9,000 doors worldwide, with the majority in specialty stores. Our products are also increasingly being sold through the digital commerce sites of many of our traditional wholesale customers and our third-party digital partners.

The primary product offerings sold through our wholesale channels of distribution include apparel, footwear, accessories, and home furnishings. Our luxury brands, including Ralph Lauren Collection and Ralph Lauren Purple Label, are distributed worldwide through a limited number of premier fashion retailers. In North America, our wholesale business is comprised primarily of sales to department stores, and to a lesser extent, specialty stores. In Europe, our wholesale business is comprised primarily of a varying mix of sales to both department stores and specialty stores, depending on the country, as well as to various third-party digital partners. In Asia, our wholesale business is comprised primarily of sales to department stores, with related products distributed through shop-within-shops. We also distribute our wholesale products to certain licensed stores operated by our partners in Latin America, Asia, Europe, and the Middle East.

We sell most of our excess and out-of-season products through secondary distribution channels worldwide, including our retail factory stores.

## **Worldwide Wholesale Distribution Channels**

The following table presents by segment the number of wholesale doors in our primary channels of distribution as of April 2, 2022:

	<b>Doors</b>
North America	3,373
Europe	5,184
Asia	446
Total	<b>9,003</b>

In addition to our conventional wholesale doors, our products are increasingly being sold through the websites of many of our traditional wholesale customers, as well as those of our third-party digital partners. As of April 2, 2022, our wholesale business served approximately 100 third-party digital partners, primarily in Europe.

We have three key wholesale customers that generate significant sales volume. During Fiscal 2022, sales to our three largest wholesale customers accounted for approximately 16% of our total net revenues. Substantially all sales to our three largest wholesale customers related to our North America segment.

Our products are sold primarily by our own sales forces. Our wholesale business maintains its primary showrooms in New York City, as well as regional showrooms in London, Madrid, Milan, Munich, Paris, and Stockholm. In addition, we utilize virtual showrooms, allowing our customers to experience and discover our product assortments in a retail setting remotely.

**Shop-within-Shops.** As a critical element of our distribution to department stores, we and our licensing partners utilize shop-within-shops to enhance brand recognition, to permit more complete merchandising of our lines by the department stores, and to differentiate the presentation of our products.

The following table presents by segment the number of shop-within-shops in our primary channels of distribution as of April 2, 2022:

	<b>Shop-within-Shops</b>
North America	7,191
Europe	6,640
Asia	621
Total	<b>14,452</b>

The size of our shop-within-shops ranges from approximately 85 to 9,200 square feet. Shop-within-shop fixed assets primarily include items such as customized freestanding fixtures, wall cases and components, decorative items, and flooring. We normally share in the cost of building out these shop-within-shops with our wholesale customers.

**Replenishment Program.** Core products such as knit shirts, chino pants, oxford cloth shirts, select footwear and accessories, and home products can be ordered by our wholesale customers at any time through our replenishment program. We generally ship these products within two to five days of order receipt.

**Backlog.** We generally receive wholesale orders approximately three to five months prior to the time the products are delivered to customers, except for orders received through our replenishment program which ship within two to five days of order receipt. Our wholesale orders are generally subject to broad cancellation rights. Further, the size of our order backlog depends on several factors, including the timing of the market weeks for our particular lines during which a significant percentage of our orders are received and the timing of shipments, which varies from year-to-year with consideration for holidays, consumer trends, concept plans, and the replenishment program's usage. Consequently, the dollar amount of our backlog as of any date may not be indicative of actual future shipments and therefore is not meaningful in understanding our business as a whole.

## Our Licensing Business

Through licensing alliances, we combine our consumer insight, design, and marketing skills with the specific product or geographic competencies of our licensing partners to create and build new businesses. We generally seek out licensing partners who are leaders in their respective markets, contribute the majority of product development costs, provide the operational infrastructure required to support the business, and own the inventory. Our licensing business has been aggregated with other non-reportable segments.

### *Product Licensing*

We grant our product licensees the right to access our various trademarks in connection with the licensees' manufacture and sale of designated products, such as certain apparel, eyewear, fragrances, and home furnishings. Each product licensing partner pays us royalties based upon its sales of our products, generally subject to a minimum royalty requirement for the right to use our trademarks and design services. In addition, our licensing partners may be required to allocate a portion of their revenues to advertising our products and sharing in the creative costs associated with these products. Larger allocations typically are required in connection with launches of new products or in new territories. Our license agreements generally have two to five-year terms and may grant the licensees conditional renewal options.

We work closely with all of our licensing partners to ensure that their products are developed, marketed, and distributed to reach the intended consumer and are presented consistently across product categories to convey the distinctive identity and lifestyle associated with our brands. Virtually all aspects of the design, production quality, packaging, merchandising, distribution, advertising, and promotion of Ralph Lauren products are subject to our prior approval and continuing oversight. We perform a broader range of services for most of our Ralph Lauren Home licensing partners than we do for our other licensing partners, including design, operating showrooms, marketing, and advertising.

The following table lists our largest licensing agreements as of April 2, 2022 for the product categories presented. Except as noted in the table, these product licenses cover North America only.

Category	Licensed Products	Licensing Partners
Men's Apparel	Underwear and Sleepwear	Hanesbrands, Inc. (includes Japan)
	Lauren, Ralph, and Chaps Tailored Clothing	Peerless Clothing International, Inc.
	Chaps	5 Star Apparel LLC
Women's Apparel	Outerwear	S. Rothschild & Co., Inc.
	Sleepwear	Charles Komar and Sons, Inc.
	Chaps	5 Star Apparel LLC
Beauty Products	Fragrances, Cosmetics, and Skin Care	L'Oreal S.A. (global)
Footwear	Men's and Women's Slippers and Children's Footwear	BBC International LLC (global)
Accessories	Eyewear	Luxottica Group S.p.A. (global)
	Socks and Hosiery	Renfro Corporation
Home	Utility and Blankets	Hollander Sleep Products LLC
	Lighting	Visual Comfort of America LLC

### *International Licensing*

Our international licensing partners acquire the right to sell, promote, market, and/or distribute various categories of our products in a given geographic area and source products from us, our product licensing partners, and independent sources. International licensees' rights may include the right to own and operate retail stores. As of April 2, 2022, our international licensing partners operated 148 stores and shops.

## **Digital Ecosystem**

Investing in our digital ecosystem remains a primary focus and is a key component of our integrated global omni-channel strategy that spans across owned and partnered channels, both physical and digital. Our digital ecosystem is comprised of directly-operated platforms, wholesale partner websites, third-party digital pure players, social commerce, and virtual economy platforms.

Our directly-operated digital commerce sites represent our digital flagships, featuring the most elevated expression of our brands. The strategy for our digital flagships is to deliver distinct and immersive brand experiences, continuously enhance consumer experience, and develop digital content that drives deeper consumer engagement and conversion. Our physical flagships are also brought to life in a digital format through our virtual store experience, allowing consumers to experience our brands and product assortments in a way that was previously only possible by walking into our stores. In connection with our long-term growth strategy, we also continue to scale and expand our Connected Retail capabilities to enhance the consumer experience, which now include virtual selling appointments, Buy Online-Pick Up in Store, and mobile checkout and contactless payments, among other capabilities.

Our products are also sold through the digital commerce sites of many of our wholesale customers across the globe. With all partners in our ecosystem, we seek to showcase the brand consistently with our values. We collaborate with our key wholesale customers to deliver the right content to the right audience, and leverage consumer insights to develop a holistic, channel-agnostic view of our consumer.

We also sell our products online through various third-party digital pure-play sites to reach a broader audience of consumers, including younger consumers, and amplify our brand messages. On many of these sites, we have created digital shop-in-shop environments with a consistent brand experience, tailored product stories, and an assortment that is carefully curated by our merchants. We also partner closely with our pure-play customers on marketing content and events, as well as optimizing search and other data analyses to drive higher traffic and conversion for our brands.

In connection with our digital commerce operations, we engage consumers through various digital and social media platforms, which are supported through our collaboration with influencers who have an authentic connection to our brand. Ralph Lauren brands are also represented in several virtual economy platforms, providing digital apparel offerings and virtual brand experiences in the metaverse that attract younger consumers.

## **Seasonality of Business**

Our business is typically affected by seasonal trends, with higher levels of retail sales in our second and third fiscal quarters and higher wholesale sales in our second and fourth fiscal quarters. These trends result primarily from the timing of key vacation travel, back-to-school, and holiday shopping periods impacting our retail business and timing of seasonal wholesale shipments. As a result of changes in our business, consumer spending patterns, and the macroeconomic environment, including those resulting from pandemic diseases and other catastrophic events, historical quarterly operating trends and working capital requirements may not be indicative of our future performance. In addition, fluctuations in sales, operating income, and cash flows in any fiscal quarter may be affected by other events affecting retail sales, such as changes in weather patterns.

Working capital requirements vary throughout the year. Working capital requirements typically increase during the first half of the fiscal year as inventory builds to support peak shipping/selling periods and, accordingly, typically decrease during the second half of the fiscal year as inventory is shipped/sold. Cash provided by operating activities is typically higher in the second half of the fiscal year due to reduced working capital requirements during that period.

## **Product Design**

Our products reflect a timeless and innovative interpretation of American style with a strong international appeal. Our consistent emphasis on new and distinctive design has been an important contributor to the prominence, strength, and reputation of the Ralph Lauren brands.

Our Ralph Lauren products are designed by, and under the direction of, Mr. Ralph Lauren and our design staff. We form design teams around our brands and product categories to develop concepts, themes, and products for each brand and category. Through close collaboration with merchandising, sales, and product management staff, these teams support all of our businesses in order to gain market information and other valuable input.

## **Marketing and Advertising**

Our marketing and advertising programs communicate the themes and images of our brands and are integral to the success of our product offerings. The majority of our advertising programs are created and executed by our in-house creative and advertising agency to ensure consistency of presentation, which is complemented by our marketing experts in each region who help to execute our international strategies.

We create distinctive image advertising for our brands, conveying the particular message of each one within the context of the overall Ralph Lauren aesthetic. Advertisements generally portray a lifestyle rather than a specific item and include a variety of products offered by us and, in some cases, our licensing partners. Our communication campaigns are increasingly being executed through digital and social media platforms to drive further engagement with the younger consumer. With regard to influencers, we believe in fostering long-term relationships with those who have an authentic connection to our brand and influence the areas of culture that matter most to our audiences. We also continue to advertise through print and outdoor media, and, to a lesser extent, through television and cinema.

Our digital advertising programs focus on high impact and innovative digital media outlets, which allow us to convey our key brand messages and lifestyle positioning. We also develop digital editorial initiatives that allow for deeper education and engagement around the Ralph Lauren lifestyle. We deploy these marketing and advertising initiatives through online, mobile, video, email, and social media. Our digital commerce sites present the Ralph Lauren lifestyle online, while offering a broad array of our apparel, footwear, accessories, and home product lines.

Additionally, we advertise in consumer and trade publications, and participate in cooperative advertising on a shared cost basis with some of our retail and licensing partners. We have outdoor advertising placements in key cities as well, focusing on impact and reach. We also provide point-of-sale fixtures and signage to our wholesale customers to enhance the presentation of our products at their retail locations. In addition, when our licensing partners are required to spend an amount equal to a percentage of their licensed product sales on advertising, in certain cases we coordinate the advertising placement on their behalf. We believe our investments in shop-within-shop environments and retail stores, including our global flagship locations, contribute to and enhance the themes of our brands to consumers.

We also conduct a variety of public relations activities. For example, we typically introduce each of our spring and fall menswear and womenswear collections at press presentations in major cities such as New York City and Milan. Such fashion events, in addition to celebrity red carpet dressing moments and events hosted in our stores and restaurants, including The *Polo Bar* in New York City, generate extensive domestic and international media and social coverage.

We are the official outfitter for all on-court officials at the Wimbledon, U.S. Open, and Australian Open tennis tournaments. These tournaments provide worldwide exposure for our brand in a relevant lifestyle environment. We also continue to be the exclusive Official Parade Outfitter for the U.S. Olympic and Paralympic Teams, with the right to manufacture, distribute, advertise, promote, and sell products in the U.S. which replicate the Parade Outfits and associated leisure wear. Most recently, we dressed Team U.S.A. for the Winter Olympic Games in Beijing, China in 2022 and the Summer Olympic Games in Tokyo, Japan in 2021. As part of our involvement with Team U.S.A., we have established a partnership with athletes serving as brand ambassadors and as the faces of our advertising, marketing, and public relations campaigns. We are also the official apparel outfitter for the Professional Golfers' Association ("PGA") of America, the PGA Championship, the U.S. Golf Association, and the U.S. Ryder Cup Team, as well as a partner of the American Junior Golf Association. We sponsor a roster of professional golfers, including Billy Horschel, Andrea Lee, Nick Watney, Smylie Kaufman, Tom Watson, Davis Love III, Jonathan Byrd, and Doc Redman.

We believe our partnerships with such prestigious global athletic events reinforce our brand's sporting heritage in a truly authentic way and serve to connect our Company and brands to our consumers through their individual areas of passion.

## **Sourcing, Production and Quality**

We contract for the manufacture of our products and do not own or operate any production facilities. Over 300 different manufacturers worldwide produce our apparel, footwear, accessories, and home products, with no one manufacturer providing more than 6% of our total production during Fiscal 2022. We source both finished products and raw materials. Raw materials include fabric, buttons, and other trim. Finished products consist of manufactured and fully assembled products ready for shipment to our customers. In Fiscal 2022, approximately 97% of our products (by dollar value) were produced outside of the U.S., primarily in Asia, Europe, and Latin America, with approximately 19% of our products sourced from China and another 19% from Vietnam. See "*Import Restrictions and Other Government Regulations*," Item 1A — "*Risk Factors — Risks Related to Macroeconomic Conditions — Economic conditions could have a negative impact on our major customers, suppliers,*

*vendors, and lenders, which in turn could materially adversely affect our business," and Item 1A — "Risk Factors — Risks Related to our Business and Operations — Our business is subject to risks associated with importing products and the ability of our manufacturers to produce our goods on time and to our specifications."*

Most of our businesses must commit to the manufacturing of our garments before we sell finished goods, whether to wholly-owned retail stores or to wholesale customers. We also must commit to the purchase of fabric from mills well in advance of our sales. If we overestimate our primary customers' demand for a particular product or the need for a particular fabric or yarn, we primarily sell the excess products or garments made from such fabric or yarn in our factory stores or through other secondary distribution channels.

Suppliers operate under the close supervision of our global manufacturing division. All products are produced according to our specifications and standards. Production and quality control staff in Asia, the Americas, the Middle East, and Europe monitor manufacturing at supplier facilities in order to correct problems prior to shipment of the final product. Procedures have been implemented under our vendor certification and compliance programs so that quality assurance is reviewed early in the production process, allowing merchandise to be received at the distribution facilities and shipped to customers with minimal interruption.

### **Competition**

Competition is very strong in the segments of the fashion and consumer product industries in which we operate. We compete with numerous designers and manufacturers of apparel, footwear, accessories, fragrances, and home furnishing products, both domestic and international. We also face increasing competition from companies selling our product categories through the Internet. Some of our competitors may be significantly larger and have substantially greater resources than us. We compete primarily on the basis of fashion, quality, value, and service, which depend on our ability to:

- anticipate and respond to changing consumer demands and shopping preferences, including the ever-increasing shift to digital brand engagement, social media communications, and online and cross-channel shopping;
- create and maintain favorable brand recognition, loyalty, and reputation for quality, including through digital brand engagement and online and social media presence;
- develop and produce innovative, high-quality products that appeal to consumers of varying age groups;
- competitively price our products and create an acceptable value proposition for consumers;
- provide strong and effective marketing support, including through digital and social media platforms in order to stay better connected to consumers;
- provide attractive, reliable, secure, and user-friendly digital commerce sites;
- obtain sufficient retail floor space, and effectively present our products to consumers;
- attract consumer traffic to stores, shop-within-shops, and digital commerce sites;
- source sustainable raw materials at cost-effective prices;
- anticipate and maintain proper inventory levels;
- ensure product availability and optimize supply chain and distribution efficiencies;
- maintain and grow market share;
- recruit and retain employees to operate our retail stores, distribution centers, and various corporate functions;
- protect our intellectual property; and
- withstand prolonged periods of adverse economic conditions or business disruptions.

See Item 1A — "Risk Factors — Risks Related to our Business and Operations — We face intense competition worldwide in the markets in which we operate."

## Distribution

To facilitate global distribution, our products are shipped from manufacturers to a network of distribution centers around the world for inspection, sorting, packing, and delivery to our retail locations and digital commerce and wholesale customers. This network includes the following primary distribution facilities:

Facility Location	Geographic Region Serviced	Facility Ownership
N. Pendleton Street, High Point, North Carolina	U.S.	Owned
NC Highway 66, High Point, North Carolina	U.S.	Leased
Greensboro, North Carolina	U.S.	Leased
Toronto, Ontario	Canada	Third-party
Parma, Italy	Europe and Latin America	Third-party
Yokohama, Japan	Japan	Third-party
Bugok, South Korea	South Korea	Leased
Tuen Mun, Hong Kong	China and Southeast Asia <sup>(a)</sup>	Third-party

<sup>(a)</sup> Includes Australia, China, Hong Kong, India, Macau, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand, and Vietnam.

All facilities are designed to allow for high-density cube storage and value-added services, and utilize unit and carton tracking technology to facilitate process control and inventory management. The distribution network is managed through globally integrated information technology systems.

## Information Systems

Our information systems facilitate business processes, consumer experiences, and decision-making support across the Company and our extended ecosystem of manufacturers, vendors, business partners, and customers. Our system applications are connected to support the flow of information across functions, including:

- product design, sourcing, and production;
- comprehensive order processing, fulfillment, and distribution;
- retail store and digital commerce operations;
- marketing and advertising;
- financial accounting and management reporting; and
- human resources.

Our retail operation systems, including point-of-sale registers and merchandising, planning, and inventory management systems, support operational processes within our store network and link with our digital commerce processes to support omni-channel capabilities.

We are continually improving and upgrading our computer systems and software. For example, during Fiscal 2022, we continued to transform our value chain processes and technology to support advanced global capabilities for our supply and demand management solutions. In Fiscal 2022, we also continued to accelerate our advanced analytics capabilities across functions. We are also continually enhancing the consumer experience by adding new functionality to our direct-to-consumer channels, including new Connected Retail capabilities, which now include virtual selling appointments, Buy Online-Pick Up in Store, and mobile checkout and contactless payments, among other capabilities.

We have a longstanding information security risk program structured according to the National Institute of Standards and Technology Cybersecurity Framework, industry best practices, privacy legislation, and other global and local standards and regulations. This program includes a defense-in-depth approach with multiple layers of security controls, including network segmentation, security monitoring, endpoint protection, and identity and access management, as well as data loss prevention controls. Our Audit Committee is updated on the overall performance of our information security risk program on a quarterly basis.

Our cybersecurity awareness programs include phishing simulations, general cybersecurity awareness, and data protection modules, as well as more contextual and personalized modules for targeted users and roles. We incorporate external expertise and guidance in all aspects of our program. We leverage cybersecurity specialists to complete external audits and objective assessments of our cybersecurity program and practices, as well as to conduct targeted attack simulations. We continually enhance our information security capabilities in order to protect against emerging threats, while also increasing our ability to detect and respond to cyber incidents and maximize our resilience to recover from potential cyber-attacks. We have a robust incident response plan in place that provides a documented runbook for handling high severity cybersecurity incidents and facilitates coordination across multiple parts of our Company. We also routinely perform simulations and drills at both a technical and leadership level. Additionally, we have purchased network security and cyber liability insurance in order to provide a level of financial protection, should a data breach occur.

See Item 1A — "*Risk Factors — Risks Related to Information Systems and Data Security — A data security or privacy breach could damage our reputation and our relationships with our customers or employees, expose us to litigation risk, and adversely affect our business*" and "*Risk Factors — Risks Related to Information Systems and Data Security — Our business could suffer if our computer systems and websites are disrupted or cease to operate effectively.*"

#### **Wholesale Credit Control**

We manage our own credit function. We sell our merchandise principally to major department stores, specialty stores, and third-party digital partners, and extend credit based on an evaluation of the wholesale customer's financial capacity and condition, usually without requiring collateral. We monitor credit levels and the financial condition of our wholesale customers on a continuing basis to minimize credit risk. We do not factor or underwrite our accounts receivables, nor do we maintain credit insurance to manage the risk of bad debts. In North America, collection and deduction transactional activities are provided through a third-party service provider. See Item 1A — "*Risk Factors — Risks Related to our Business and Operations — A substantial portion of our revenue is derived from a limited number of large wholesale customers. Our business could be adversely affected as a result of consolidations, liquidations, restructurings, other ownership changes in the retail industry, and/or any financial instability of our large wholesale customers.*"

#### **Trademarks**

We own the RALPH LAUREN, POLO, POLO RALPH LAUREN, and the famous Polo Player Design trademarks in the U.S. and over 120 countries worldwide. Other trademarks that we own include:

- PURPLE LABEL;
- DOUBLE RL;
- RRL & DESIGN;
- RLX;
- RL;
- LAUREN RALPH LAUREN;
- PINK PONY;
- LAUREN;
- RALPH;
- POLO BEAR;
- CHAPS; and
- Various other trademarks.

Mr. Ralph Lauren has the royalty-free right to use as trademarks RALPH LAUREN, DOUBLE RL, and RRL in perpetuity in connection with, among other things, beef and living animals. The trademarks DOUBLE RL and RRL are currently used by the Double RL Company, an entity wholly owned by Mr. R. Lauren. In addition, Mr. R. Lauren has the right to engage in personal projects involving film or theatrical productions (not including or relating to our business) through RRL Productions, Inc., a company wholly owned by Mr. R. Lauren. Any activity by these companies has no impact on us.

Our trademarks are the subject of registrations and pending applications throughout the world for use on a variety of items of apparel, apparel-related products and accessories, home furnishings, restaurant and café services, online services and online publications, and beauty products, as well as in connection with retail services, and we continue to expand our worldwide usage and registration of related trademarks. In general, trademarks remain valid and enforceable as long as the marks are used in connection with the related products and services and the required registration renewals are filed. We regard the license to use the trademarks and our other proprietary rights in and to the trademarks as extremely valuable assets in marketing our products and, on a worldwide basis, vigorously seek to protect them against infringement. As a result of the appeal of our trademarks, our products have been the object of counterfeiting. While we have a broad enforcement program which has been generally effective in protecting our intellectual property rights and limiting the sale of counterfeit products in the U.S. and in most major markets abroad, we face greater challenges with respect to enforcing our rights against trademark infringement in certain parts of Asia.

In markets outside of the U.S., our rights to some or all of our trademarks may not be clearly established. Over the course of our international expansion, we have experienced conflicts with various third parties who have acquired ownership rights in certain trademarks, including POLO and/or a representation of a Polo Player Design, which impede our use and registration of our principal trademarks. While such conflicts are common and may arise again from time to time as we continue our international expansion, we have, in general, successfully resolved such conflicts in the past through both legal action and negotiated settlements with third-party owners of the conflicting marks (see Item 1A — "Risk Factors — Risks Related to our Business and Operations — Our trademarks and other intellectual property rights may not be adequately protected outside the U.S." and Item 3 — "Legal Proceedings" for further discussion). Although we have not suffered any material restraints or restrictions on doing business in desirable markets in the past, we cannot assure that significant impediments will not arise in the future as we expand product offerings and introduce trademarks to new markets.

### **Import Restrictions and Other Government Regulations**

Virtually all of our merchandise imported into the Americas, Europe, Asia, Australia, and New Zealand is subject to duties. In addition, most of the countries to which we ship could impose safeguard quotas and duties to protect their local industries from import surges that threaten to create market disruption. The U.S. and other countries may also unilaterally impose additional duties in response to a particular product being imported (from China or other countries) at unfairly traded prices in such increased quantities that would cause (or threaten) injury to the relevant domestic industry (generally known as "anti-dumping" actions). If dumping is suspected in the U.S., the U.S. government may self-initiate a dumping case on behalf of the U.S. textile industry which could significantly affect our costs. Furthermore, additional duties, generally known as countervailing duties, can also be imposed by the U.S. government to offset subsidies provided by a foreign government to foreign manufacturers if the importation of such subsidized merchandise injures or threatens to injure a U.S. industry.

In addition, each of the countries in which our products are sold has laws and regulations covering imports. Because the U.S. and the other countries in which our products are manufactured and sold may, from time to time, impose new duties, tariffs, surcharges, or other import controls or restrictions, or adjust presently prevailing duty or tariff rates or levels, we maintain a program of intensive monitoring of import restrictions and opportunities. We seek to minimize our potential exposure to import-related risks through, among other measures, adjustments in product design and fabrication, shifts of production among countries and manufacturers, and through geographical diversification of our sources of supply.

As almost all of our products are manufactured by foreign suppliers, the enactment of new legislation or the administration of current international trade regulations or executive action affecting textile agreements, or changes in sourcing patterns could adversely affect our operations. See Item 1A — "Risk Factors — Risks Related to Regulatory, Legal, and Tax Matters — Our ability to conduct business globally may be affected by a variety of legal, regulatory, political, and economic risks" and "Risk Factors — Risks Related to our Business and Operations — Our business is subject to risks associated with importing products and the ability of our manufacturers to produce our goods on time and to our specifications."

We are also subject to other international trade agreements, such as the U.S.-Mexico-Canada Agreement, the Central American Free Trade Agreement, the U.S.-Peru Free Trade Agreement, the U.S.-Jordan Free Trade Agreement, the U.S.-Korea Free Trade Agreement and other special trade preference programs. A portion of our imported products are eligible for certain of these duty-advantaged programs.

Apparel and other products sold by us are under the jurisdiction of multiple governmental agencies, including, in the U.S., the Federal Trade Commission, the U.S. Fish and Wildlife Service, the Environmental Protection Agency, and the Consumer Products Safety Commission. Our products are also subject to regulation in the U.S. and other countries, including the U.S. Consumer Product Safety Improvement Act, which relate principally to product labeling, licensing requirements, and consumer product safety requirements and regulatory testing, particularly with respect to products used by children. Any failure

to comply with such requirements could result in significant penalties and require us to recall products, which could have a material adverse effect on our business or operating results. We believe that we are in substantial compliance with these regulations, as well as applicable federal, state, local, and foreign rules and regulations governing the discharge of materials hazardous to the environment. Our licensed products, licensing partners, buying/sourcing agents, and the vendors and factories with which we contract for the manufacture and distribution of our products are also subject to regulation. Our agreements require our licensing partners, buying/sourcing agents, vendors, and factories to operate in compliance with all applicable laws and regulations, and we are not aware of any violations which could reasonably be expected to have a material adverse effect on our business or operating results.

We are also subject to disclosure and reporting requirements, established under existing or new federal or state laws, such as the requirements to identify the origin and existence of certain "conflict minerals" under the Dodd-Frank Wall Street Reform and Consumer Protection Act, and disclosures of specific actions to eradicate abusive labor practices in our supply chain under the California Transparency in Supply Chains Act. While we require our suppliers to operate in compliance with all applicable laws and our operating guidelines which promote ethical and socially responsible business practices, any violation of labor, environmental, health, and safety or other laws, or any divergence by an independent supplier's labor practices from generally accepted industry standards, could damage our reputation, disrupt our sourcing capabilities, and increase the cost of doing business, adversely affecting our results of operations. See Item 1A — *"Risk Factors — Risks Related to our Business and Operations — Our business could suffer if we fail to comply with labor laws or if one of our manufacturers fails to use acceptable labor or environmental practices."*

Although we have not suffered any material restriction from doing business in desirable markets in the past, we cannot assure that significant impediments will not arise in the future as we expand product offerings and introduce additional trademarks to new markets.

## **Human Capital**

Our purpose is to inspire the dream of a better life through authenticity and timeless style. This purpose extends to how we provide resources to support our employees' health, well-being, work-life harmony, and quality of life. We believe that attracting, developing, and retaining a diverse work force that is both skilled and motivated is critical to the successful execution of our long-term growth strategy. To this end, we are committed to creating a culture and work environment in which all employees feel welcome and can thrive, both as individuals and as part of our team.

Our Board of Directors regularly reviews our people and development strategy, including our employee diversity, respect, and inclusion initiatives.

### ***Our Employees***

As of April 2, 2022, we had approximately 22,200 employees, comprised of approximately 13,500 full-time and 8,700 part-time employees. Approximately 10,400 of our employees are located in the U.S. and 11,800 are located in foreign countries. Approximately 5 of our U.S. production employees in the womenswear business are members of Workers United (which was previously known as UNITE HERE) under an industry association collective bargaining agreement, which our womenswear subsidiary has adopted. We consider our relations with both our union and non-union employees to be good.

As of April 2, 2022, approximately 64% and 36% of our global workforce self-identified as female and male, respectively, and in the U.S., approximately 62% of our workforce self-identified as an underrepresented race and ethnic group and 33% self-identified as white, with the remaining 5% electing not to disclose such information.

### ***Diversity, Equity, and Inclusion***

We believe the diversity of our employees and our culture of inclusivity drive innovation and creativity, and we are committed to further strengthening such diversity and inclusion across race, ethnicity, gender, sexual orientation, disability, and mental health and wellness, among other demographics, ensuring fairness for all. Our diversity, equity, and inclusion ("DE&I") strategy is guided by the following five pillars:

1. *Talent* — Cultivate diverse teams and elevate underrepresented talent to leadership ranks. In calendar 2019, we achieved our goal to have gender parity in our leadership ranks for Vice President and above. We are committed to have at least 20% of People of Color in our global leadership team by end of Fiscal 2023.

2. *Collaboration and Belonging* — Enable open dialogue and create safe spaces for the amplification of diverse voices and perspectives. During Fiscal 2022, we expanded our RL Community Groups to include a Veterans Network, focused on supporting veterans and active military personnel, including our employees, spouses, family members, and allies, and a community group focused on religion, spirituality, and faith, focusing on the co-existence of people of different faiths in the workplace. We also continued to deepen our work in our Racial Equity Manifesto with specific and action-oriented commitments to elevate, amplify, and support the Black Community.
3. *Learning* — Build an inclusive culture through awareness, education, and deployment of mandatory DE&I trainings globally. During Fiscal 2022, we expanded inclusive leadership learning with the rollout of Includership training for managers of people, which is also now included in our new hire onboarding. In addition, we have mentoring and professional development programs offering internal and external development and career acceleration programs for underrepresented talent. We also provided scholarship funds to academic programs supporting underrepresented students.
4. *Communication and Messaging* — Maximize our inclusive message and increase the transparency of our DE&I initiatives. We gather direct feedback from our employees and measure their engagement to better understand how we can improve.
5. *Celebration and Recognition* — Appreciate our unique differences and increase educational events for all employees with a focus on diverse experiences. In Fiscal 2022, we increased educational and celebratory events focused on diverse experiences with over 70 virtual and in-person DE&I events with 10,000 participants globally. Our DE&I efforts have been recognized in recent years, including being named a Best Place to Work for LGBTQIA+, receiving 100% on the Human Rights Campaign's Corporate Equality Index for the third year in a row, as well as being named Best Place to Advance for Women by Parity.Org.

During Fiscal 2022, our internal Global DE&I Synthesis Committee continued to meet bi-quarterly, whose members are directly accountable for executing on our DE&I strategies ensuring consistent support to achieve our goals. This committee leads all 29 of our employee resource groups and their impact work, which provides a robust structural framework to action on our DE&I commitments. We also continue to expand our advisory councils, including the Black Advisory Council (U.S.A.), Race & Ethnicity Council in Europe, Middle East, and Africa, Asian Pacific Islander Council, Native American Council, and Hispanic, Latino, and Latinx Council, who advise our executive leadership team, marketing campaigns, and long-term programs and initiatives to amplify the voices of underrepresented groups at Ralph Lauren.

In addition to our robust DE&I governance structure, our employees play a key role in embedding a culture of inclusion at Ralph Lauren through our other employee resource groups, including our Gender Community Group, Pride Group, and Disability, Mental Health, and Wellness Group, and our new community groups focused on veterans and co-existence of people of different faiths in the workplace. These groups promote dialogue, define DE&I focus areas, and help us properly prioritize action plans and necessary resources to develop solutions.

Additional information relating to our DE&I initiatives and goals can be found in our annual sustainability reports, which is available at our website at <http://investor.ralphlauren.com> under the caption "Global Citizenship & Sustainability Report." Our 2022 Global Citizenship & Sustainability Report is expected to be published in June 2022. The content of our sustainability reports is not incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC.

### ***Learning and Development***

We are committed to the growth and development of our employees and offer a wide range of development programs for all levels. In addition to receiving ongoing on-the-job training and coaching, our employees can build skills and prepare for the future through our Ralph Lauren Learning Portal. During Fiscal 2022 we launched our RL Success Drivers, representing key attributes, skills, ways of thinking, and behaviors that ultimately create conditions that better enable individuals and teams to succeed. Success requires all of our employees to be leaders and the RL Success Drivers act as the language of such leadership by applying a common language that defines high performance and leadership excellence. We also launched our RL Learning Academy, representing a collection of customized collaborative and experiential learning programs rooted in the RL Success Drivers that further supports our employees' career progression, reinforces our company's culture, and promotes overall wellness and balance. We continue to build our learning portfolio and have added new courses this year, many of which focus on hybrid working environments, including leading teams in such hybrid environments, as well as DE&I education. We also support learning beyond our walls through tuition assistance. These collective learning and development programs help foster career mobility for our employees, while simultaneously allowing us to fill open positions with existing employees who know our company best.

### ***Employee Safety and Well-Being***

We are committed to the safety, health, and overall well-being of each of our employees and their families, providing a wide array of physical, emotional, social, and financial support to meet this objective. THRIVE, our global wellness program, provides access to volunteer events and physical and mental wellness support. During Fiscal 2022, we launched the THRIVE application to give employees real-time access to wellness articles and resiliency training and also to provide tools to set and track measurable wellness goals. We gather direct feedback from our workforce, including through regular employee surveys, which allows us to measure their engagement and understand how we can improve.

Throughout the COVID-19 pandemic, our priority has been to ensure the safety and well-being of all of our employees, customers, and the communities in which we operate in around the world. In this regard, we have implemented new health and safety protocols in our stores, distribution centers, and corporate offices. We have also expanded employee well-being services in the U.S. to include additional backup childcare, as well as MyStrength, an online wellness portal. Globally, we host monthly wellness webinars and provide weekly meditation classes through our RL Well-Being Exchange program. Financial grants have also been provided through the Ralph Lauren Employee Relief Fund for employees facing special circumstances.

### ***Compensation and Benefits***

We are committed to providing competitive compensation and benefits to attract and retain a diverse and talented workforce. We are also committed to achieving pay equity throughout our organization, conducting annual assessments in partnership with an independent firm who is a leader in workplace equity and creators of a comprehensive analytics software platform used to analyze our employee compensation based on gender, race, and ethnicity. We offer a wide array of both employer-paid and employee-paid benefits to support our employees' overall financial, physical, and mental well-being, including, but not limited to, healthcare and welfare benefits, retirement savings, paid time off, temporary leave, sabbaticals, and flexible work arrangements. We also provide our employees a merchandise discount on most of our products. During Fiscal 2022, we further expanded our medical benefits in the U.S. to a larger portion of our part-time employees, ensuring equitable benefits for our front-line employees. We introduced a new healthcare benefit for our Puerto Rico retail employees and in our U.S. distribution center which allows them to benefit from a reduction in total cost of care. Additionally, we launched a multi-year plan to increase hourly wages for our store and distribution center employees.

## Information About Our Executive Officers

As of the filing date of this Form 10-K, the following are our current executive officers and their principal recent business experience:

<b>Ralph Lauren</b>	Age 82	Mr. Ralph Lauren founded our business in 1967 and, for five decades, has cultivated the iconography of America into a global lifestyle brand. He has been our Executive Chairman and Chief Creative Officer since November 2015, and a director of the Company since prior to its initial public offering in 1997. He had previously been our Chairman and Chief Executive Officer since prior to our initial public offering in 1997 until November 2015. In addition, he was previously a member of our Advisory Board or the Board of Directors of our predecessors since their organization.
<b>Patrice Louvet</b>	Age 57	Mr. Louvet has served as our President and Chief Executive Officer, and a director of the Company, since July 2017. Prior to joining the Company, he served as the Group President, Global Beauty, Procter & Gamble Co. ("P&G") since February 2015. Prior to that role, Mr. Louvet held successively senior leadership positions at P&G, including the roles of Group President, Global Grooming (Gillette), and President of P&G's Global Prestige Business. Before he joined P&G, Mr. Louvet served as a Naval Officer, Admiral Aide de Camp in the French Navy from 1987 to 1989. Mr. Louvet graduated from École Supérieure de Commerce de Paris and received his M.B.A. from the University of Illinois. He has served as a member of the board of directors of Bacardi Limited since July 2012 and as a member of the board of directors of the National Retail Federation since January 2020.
<b>Jane Hamilton Nielsen</b>	Age 58	Ms. Nielsen has been our Chief Financial Officer since September 2016 and our Chief Operating Officer since March 2019. She served as Chief Financial Officer of Coach, Inc. from September 2011 to August 2016. From 2009 to 2011, she was Senior Vice President and Chief Financial Officer of PepsiCo Beverages Americas and the Global Nutrition Group, divisions of PepsiCo Inc., with responsibility for all financial management including financial reporting, performance management, capital allocation, and strategic planning. Prior to that, Ms. Nielsen held various senior roles in finance at PepsiCo, Inc. and Pepsi Bottling Group starting in 1996. She also served on the board of directors of Mondelez International since May 2021, and previously served on the board of directors of Pinnacle Foods Inc. Ms. Nielsen received her M.B.A. from the Harvard Business School and B.A. from Smith College.
<b>David Lauren</b>	Age 50	Mr. David Lauren has been our Chief Branding and Innovation Officer, Strategic Advisor to the CEO, and Vice Chairman of the Board since April 2022. He served as our Chief Innovation Officer, Strategic Advisor to the CEO, and Vice Chairman of the Board from October 2016 to March 2022. From November 2010 to October 2016, he served as our Executive Vice President of Global Advertising, Marketing and Communications. Prior to that, he served in numerous leadership roles at the Company with responsibility for advertising, marketing, and communications. He has been a director of the Company since August 2013. Mr. D. Lauren oversees the Company's branding and innovation processes and capabilities to drive its brand strength and financial performance across all channels. He has been instrumental in growing the Company's global digital commerce business and pioneering our technology initiatives. He serves on the board of trustees of the Ralph Lauren Center for Cancer Care and Prevention and the board of directors of The National Museum of American History. Mr. D. Lauren is also the President of the Ralph Lauren Corporate Foundation. Before joining the Company in 2000, he was Editor-in-Chief and President of <i>Swing</i> , a general interest publication for Generation X. Mr. D. Lauren is the son of Mr. R. Lauren.

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

There are risks associated with an investment in our securities. The following risk factors should be read carefully in connection with evaluating our business and the forward-looking statements contained in this Annual Report on Form 10-K. Any of the following risk factors could materially adversely affect our business, including our prospects, results of operations, financial condition, liquidity, the trading price of our securities, and/or the actual outcome of matters as to which forward-looking statements are made in this report. Additional risks and uncertainties not currently known to us or that we currently view as immaterial may also materially adversely affect our business in future periods or if circumstances change.

#### **Risks Related to Macroeconomic Conditions**

##### **Infectious disease outbreaks, such as the COVID-19 pandemic, could have a material adverse effect on our business.**

Our business could be adversely affected by infectious disease outbreaks, such as the novel strain of coronavirus commonly referred to as COVID-19. COVID-19, which emerged beginning in the fourth quarter of Fiscal 2020, has spread rapidly across the globe, including throughout all major geographies in which we operate (North America, Europe, and Asia), resulting in adverse economic conditions and business disruptions, as well as significant volatility in global financial markets. Governments worldwide have periodically imposed varying degrees of preventative and protective actions, such as temporary travel bans, stay-at-home orders, and forced business closures or other operational restrictions, including reduced capacity limits and operating hours, all in an effort to reduce the spread of the virus. Such factors, among others, have resulted in a significant decline in retail traffic, tourism, and consumer spending on discretionary items.

As a result of the COVID-19 pandemic, we have experienced varying degrees of business disruptions and periods of closure of our stores, distribution centers, and corporate facilities, as have our wholesale customers, licensing partners, suppliers, and vendors, as described in Item 1 — *"Business — Recent Developments."* Collectively, these disruptions have had a material adverse impact on our business throughout the pandemic, particularly during Fiscal 2021. Despite the introduction of COVID-19 vaccines, the pandemic remains highly volatile and continues to evolve, including the emergence of variants of the virus, such as the Delta and Omicron variants, which has and could continue to adversely affect consumer sentiment and confidence. Accordingly, we cannot predict for how long and to what extent this crisis will continue to impact our business operations or the overall global economy. Potential impacts to our business include, but are not limited to:

- our ability to successfully execute our long-term growth strategy;
- reduced retail traffic at our stores and those of our wholesale customers and licensing partners due to forced closures or other operational restrictions, such as reduced capacity limits and operating hours, declines in tourism, and/or potential changes in consumer behavior and shopping preferences, such as their willingness to congregate in shopping centers or other populated locations and the overall growing preference to shop online versus at traditional brick and mortar locations;
- potential declines in the level of consumer purchases of discretionary items and luxury retail products, including our products, caused by higher unemployment and lower disposal income levels, inflationary pressures, travel and social gathering restrictions, work-from-home arrangements, or other factors beyond our control;
- the potential build-up of excess inventory as a result of store closures and/or lower consumer demand;
- temporary closures or other operational restrictions of our distribution centers and/or corporate facilities;
- supply chain disruptions resulting from closed factories, reduced workforces, scarcity of raw materials, shipping and loading capacity constraints, and scrutiny or embarguing of goods produced in infected areas, including any related cost increases;
- our ability to attract, retain, and manage employees in the current environment, which include remote working arrangements;
- additional costs to protect the health and safety of our employees, customers, and communities, such as more frequent and thorough cleanings of our facilities and supplying personal protection equipment;
- the potential loss of one or more of our significant wholesale customers or licensing partners, or the loss of a large number of smaller wholesale customers or licensing partners, if they are not able to withstand prolonged periods of adverse economic conditions, and our ability to collect outstanding receivables;
- increased vulnerability to data security or privacy breaches as a result of a substantial portion of our corporate employees continuing to work remotely;
- our ability to successfully negotiate with landlords to obtain rent abatements, rent deferrals, and other relief;

- our ability to access capital markets and maintain compliance with covenants associated with our existing debt instruments, as well as the ability of our key customers, suppliers, and vendors to do the same with regard to their own obligations;
- our ability to generate sufficient cash flows to support our operations, including repayment of our debt obligations as they become due, as well as to return value to our shareholders in the form of dividend payments and repurchases of our common stock;
- diversion of management attention and resources from ongoing business activities and/or a decrease in employee morale; and
- our ability to maintain an effective system of internal controls and compliance with the requirements under the Sarbanes-Oxley Act of 2002.

Additional discussion related to the various risks and uncertainties described above is included elsewhere within this "Risk Factors" section of this Form 10-K.

**Economic, political, and other conditions may adversely affect the level of consumer purchases of discretionary items and luxury retail products, including our products.**

The industries in which we operate are cyclical. Many economic and other factors outside of our control affect the level of consumer spending in the apparel, footwear, accessory, and home product industries, including, among others, man-made or natural disasters, such as pandemic diseases; consumer perceptions of personal well-being and safety; consumer perceptions of current and future economic conditions; employment levels and wage rates; stock market performance; inflation; interest rates; foreign currency exchange rates; the housing market; consumer debt levels; the availability of consumer credit; commodity prices, including fuel and energy costs; global food supplies; taxation; general domestic and international political conditions; the threat, outbreak, or escalation of terrorism, military conflicts, or other hostilities; and weather conditions.

Consumer purchases of discretionary items and luxury retail products, including our products, tend to decline during periods of recession or high inflation and at other times when disposable income is lower. Unfavorable economic conditions and other factors, such as pandemic diseases and other health-related concerns, political unrest, military conflicts, and acts of terrorism, may also reduce consumers' willingness and ability to travel to major cities and vacation destinations in which our stores and shop-within-shops are located. Further, consumers may prefer to spend more of their discretionary income on "experiences," such as dining and entertainment, over consumer goods. Stay-at-home orders, social gathering restrictions, and work-from-home arrangements, such as those resulting from the COVID-19 pandemic, may also diminish consumers' demand for luxury apparel products. Accordingly, a downturn or an uncertain outlook in the economies in which we, or our wholesale customers and licensing partners, sell our products, or other changes in consumer preferences, may materially adversely affect our business.

**Economic conditions could have a negative impact on our major customers, suppliers, vendors, and lenders, which in turn could materially adversely affect our business.**

Although we believe that our existing cash and investments, cash provided by operations, and available borrowing capacity under our credit and overdraft facilities and commercial paper borrowing program will provide us with sufficient liquidity, the impact of economic conditions on our major customers, suppliers, vendors, and lenders, including those resulting from the COVID-19 pandemic, and their ability to access global capital markets cannot be predicted. The inability of major manufacturers to ship our products could impair our ability to meet the delivery date requirements of our customers. Deterioration in global financial or capital markets could affect our ability to access sources of liquidity to provide for our future cash needs, increase the cost of any future financing, or cause our lenders to be unable to meet their funding commitments under our credit and overdraft facilities. A disruption in the ability of our significant customers to access liquidity could cause serious disruptions or an overall deterioration of their businesses which could lead to a significant reduction in their future orders of our products and the inability or failure on their part to meet their payment obligations to us, any of which could have a material adverse effect on our business.

**Our business is exposed to domestic and foreign currency fluctuations.**

Our business is exposed to foreign currency exchange risk. Specifically, changes in exchange rates between the U.S. dollar and other currencies impact our financial results from a transactional perspective, as our foreign operations generally purchase inventory in U.S. dollars, as is common for most apparel companies. Given that we source most of our products overseas, the cost of these products may be affected by changes in the value of the relevant currencies. Changes in currency exchange rates may also impact consumers' willingness or ability to travel abroad and/or purchase our products while traveling,

as well as affect the U.S. Dollar value of the foreign currency denominated prices at which our international businesses sell products. Additionally, the operating results and financial position of our international subsidiaries are exposed to foreign exchange rate fluctuations as their financial results are translated from the respective local currency into U.S. Dollars during the financial statement consolidation process. The foreign currencies to which we are exposed to from a transactional and translational perspective primarily include the Euro, the Japanese Yen, the South Korean Won, the Australian Dollar, the Canadian Dollar, the British Pound Sterling, the Swiss Franc, and the Chinese Renminbi. The expansion of our international business increases our exposure to foreign currency exchange risk.

Although we hedge certain exposures to changes in foreign currency exchange rates arising in the ordinary course of business, we cannot fully anticipate all of our currency exposures and therefore foreign currency fluctuations may have a material adverse impact on our business. In addition, factors that could impact the effectiveness of our hedging activities include the volatility of currency markets, the accuracy of forecasted transactions, and the availability of hedging instruments. As such, our hedging activities may not completely mitigate the impact of foreign currency fluctuations on our results of operations. See Item 7 — *"Management's Discussion and Analysis of Financial Condition and Results of Operations — Market Risk Management."*

#### **Risks Related to our Strategic Initiatives and Restructuring Activities**

##### **We cannot assure the successful implementation of our growth strategy.**

We have developed a long-term growth strategy with the objective of delivering sustainable, profitable growth and long-term value creation for shareholders, as described in Item 1 — *"Business — Objectives and Opportunities."* Our ability to successfully execute our growth strategy is subject to various risks and uncertainties, as described herein.

Although we believe that our growth strategy will lead to long-term growth in revenue and profitability, there can be no assurance regarding the timing of or extent to which we will realize the anticipated benefits, if at all. Our failure to realize the anticipated benefits, which may be due to our inability to execute the various elements of our growth strategy, changes in consumer preferences, competition, economic conditions (including inflationary pressures), and other risks described herein, including those related to the COVID-19 pandemic and supply chain challenges, could have a material adverse effect on our business. Such a failure could also result in the implementation of additional restructuring-related activities beyond those currently planned, which may be dilutive to our earnings in the short term.

Achievement of our growth strategy may require investment in new capabilities, distribution channels, and technologies. These investments may result in short-term costs without accompanying current revenues and, therefore, may be dilutive to our earnings in the short term. There can be no assurance regarding the timing of or extent to which we will realize the anticipated benefits of these investments and other costs, if at all.

##### **We may not be successful in the expansion of our multi-channel distribution network or accelerating growth in certain product categories.**

Implementation of our growth strategy involves the continuation and expansion of our multi-channel distribution network, including within international markets such as China, which is subject to many factors, including, but not limited to, our ability to (i) identify new or underpenetrated markets where our products and brand will be accepted by consumers; (ii) attract customers, particularly in new markets; (iii) identify desirable freestanding and department store locations, the availability of which may be out of our control; (iv) negotiate acceptable lease terms, including desired tenant improvement allowances; (v) efficiently and cost effectively build-out stores and shop-within-shops; (vi) source sufficient inventory levels timely to meet the needs of the new stores and shop-within-shops; (vii) hire, train, and retain competent store personnel; and (viii) integrate new stores and shop-within-shops into our existing systems and operations.

Any of these challenges could delay or otherwise prevent us from successfully executing our distribution expansion strategy. There can be no assurance that our new stores and shop-within-shops will be successful and profitable or if the capital costs associated with the build-out of such new locations will be recovered. Further, entry into new markets may bring us into competition with new or existing competitors that have a more established market presence than us or other competitive advantages. Other risks related to our international expansion plans include (i) changes in general economic conditions in specific countries and markets, including those resulting from pandemic diseases, civil or political instability, or military conflicts; (ii) changes in diplomatic and trade relationships and any resulting anti-American sentiment; (iii) foreign government regulation; and (iv) restrictions on the repatriation of funds held internationally, among other risks described herein. If our expansion plans are unsuccessful or do not deliver an appropriate return on our investments, our business, results of operations, and financial condition could be adversely affected.

The success of our business also depends largely on our ability to continue to maintain, enhance, and expand our digital footprint and capabilities. In recent years, consumers have been increasingly shopping online using computers, smartphones, tablets, and other devices, and using such devices to perform comparison shopping on a real-time basis. The COVID-19 pandemic has further amplified this trend due in part to travel bans, stay-at-home orders, forced business closures, and other operational restrictions, which impede upon the ease at which consumers can shop at brick and mortar locations. Many consumers may also prefer to avoid populated locations, such as indoor shopping centers, in fear of exposing themselves to the virus or other infectious diseases. Any failure on our part, or on the part of our third-party digital partners, to provide attractive, reliable, secure, and user-friendly digital commerce platforms, including mobile apps, could negatively impact our customers' shopping experience resulting in reduced website traffic, diminished loyalty to our brands, and lost sales. In addition, as we continue to expand and increase the global presence of our digital commerce business, sales from our brick and mortar stores and wholesale channels of distribution in areas where digital commerce sites are introduced may decline due to changes in consumer shopping habits and cannibalization.

Our growth strategy also includes accelerating growth in certain high-value, underdeveloped product categories, comprised of denim, wear to work, outerwear, footwear, and accessories. We compete with other retailers in these product categories, some of which may be significantly larger than us and more established in these product categories, and competition is intense, as described within other risk factors herein. There can be no assurance that our targeted expansion in these product categories will be successful.

**The success of our business depends on our ability to respond to constantly changing fashion and retail trends and consumer preferences in a timely manner, develop products that resonate with our existing customers and attract new customers, and provide a seamless shopping experience to our customers.**

The industries in which we operate have historically been subject to rapidly changing fashion trends and consumer preferences. Our success depends in large part on our ability to originate and define fashion product and home product trends, as well as to anticipate, gauge, and react to changing consumer preferences in a timely manner. Our products must appeal to a broad range of consumers worldwide whose preferences cannot be predicted with certainty and are subject to rapid change, influenced by fashion trends, economic conditions, and weather conditions, among other factors. This issue is further compounded by the increasing use of digital and social media by consumers and the speed by which information and opinions are shared across the globe. We cannot assure that we will be able to continue to develop appealing styles or successfully meet constantly changing consumer preferences in the future. In addition, we cannot assure that any new products or brands that we introduce will be successfully received by consumers. Any failure on our part to anticipate, identify, and respond effectively to changing consumer preferences and fashion trends could adversely affect consumer acceptance of our products and leave us with a substantial amount of unsold inventory or missed opportunities. Conversely, if we underestimate consumer demand for our products or if manufacturers fail to supply quality products in a timely manner, we may experience inventory shortages. Any of these outcomes could have a material adverse effect on our business. For a discussion of risks related to our inventory management, see "*Risks Related to our Strategic Initiatives and Restructuring Activities — Our profitability may decline if we are unable to effectively manage inventory or as a result of increasing pressure on margins.*"

Our marketing and advertising programs are integral to the success of our product offerings and on our ability to attract new customers and retain existing customers. Our communication campaigns are increasingly being executed through digital and social media platforms to drive further engagement with the younger consumer, with a focus on influencers. However, we cannot assure that our marketing and advertising programs will be successful or appeal to consumers.

The success of our business also depends on our ability to continue to develop and maintain a reliable omni-channel experience for our customers, as well as our ability to introduce new Connected Retail capabilities, such as virtual selling appointments, Buy Online-Pick Up in Store, and mobile checkout and contactless payments, among other capabilities. Our business has evolved from an in-store experience to a shopping experience through multiple technologies, including computers, smartphones, tablets, and other devices, as our customers have become increasingly technologically savvy and expect a seamless omni-channel experience regardless of whether they are shopping in stores or online. We are increasingly using digital and social media platforms to interact with customers and enhance their shopping experience. If we are unable to develop and continuously improve our customer-facing technologies, the efforts of which typically require significant capital investments, we may not be able to provide a convenient and consistent experience to our customers regardless of the sales channel. This could negatively affect our ability to compete with other retailers and result in diminished loyalty to our brands, which could adversely impact our business.

We have also implemented, and expect to continue to implement, new store design concepts and other renovations to our existing store portfolio as part of our growth strategy. There can be no assurance that any of our store designs will resonate with customers or otherwise achieve the desired sales and profitability measures necessary to recover our initial capital investments, and such risks may be further compounded during periods of adverse economic conditions. If customers are not receptive to the

design layout or visual merchandising of our stores, our business could be adversely affected. In addition, the failure of our store designs to achieve acceptable results could lead to asset impairment charges and/or our decision to close a store prior to the lease expiration date resulting in other store closure-related charges, including early lease termination fees. For additional discussion of risks related to the early termination of our leases, see "*Risks Related to our Business and Operations — Our business is subject to risks associated with leasing real estate and other assets under long-term, non-cancellable leases.*"

**Our profitability may decline if we are unable to effectively manage inventory or as a result of increasing pressure on margins.**

We have implemented key strategic initiatives designed to optimize our inventory levels and improve the efficiency and responsiveness of our supply chain. Although we have shortened lead times for the design, sourcing, and production of certain of our product lines, we expect to continue to place orders with our vendors for the majority of products in advance of the related selling season. As a result, we are vulnerable to changes in consumer preferences and demand and pricing shifts. Our failure to continue to shorten lead times or to correctly anticipate consumer preferences and demand could result in the build-up of excess inventory. Other factors beyond our control could also result in the build-up of excess inventory, including unforeseen adverse economic conditions or business disruptions, such as those caused by the COVID-19 pandemic. Excess inventory levels could result in the utilization of less-preferred distribution channels, markdowns, promotional sales, donations, or destruction to dispose of such excess or slow-moving inventory, which may negatively impact our overall profitability and/or impair the image of our brands. Conversely, if we underestimate consumer demand for our products or if manufacturers fail to supply quality products in a timely manner, we may experience inventory shortages, which may negatively impact customer relationships, diminish brand loyalty, and result in lost sales. Any of these outcomes could have a material adverse effect on our business.

Additionally, our industry is subject to significant pricing pressure caused by many factors, including intense competition and a highly promotional retail environment, consolidation in the retail industry, pressure from retailers to reduce the costs of products, and changes in consumer spending patterns. Although we continue to limit our promotional activity in connection with our quality of sales initiatives, these factors may cause us to reduce our sales prices to retailers and consumers, which could cause our gross margin to decline if we are unable to appropriately manage inventory levels and/or otherwise offset price reductions with comparable reductions in our costs. If our sales prices decline and we fail to sufficiently reduce our product costs or operating expenses, our profitability will decline. In addition, changes in our customer, channel, and geographic sales mix could have a negative impact on our profitability. Any of these outcomes could have a material adverse effect on our business.

**We may not fully realize the expected cost savings and/or operating efficiencies from our restructuring plans.**

We have implemented restructuring plans to support key strategic initiatives, such as the Fiscal 2021 Strategic Realignment Plan, as described in Item 1 — "*Business — Recent Developments.*" Although designed to deliver long-term sustainable growth, restructuring plans present significant potential risks that may impair our ability to achieve anticipated operating enhancements and/or cost reductions, or otherwise harm our business, including (i) higher than anticipated costs in implementing planned workforce reductions, particularly in highly regulated locations outside the U.S.; (ii) higher than anticipated lease termination and store or facility closure costs (see "*Risks Related to our Business and Operations — Our business is subject to risks associated with leasing real estate and other assets under long-term, non-cancellable leases.*""); (iii) failure to meet operational targets or customer requirements due to the loss of employees or inadequate transfer of knowledge; (iv) failure to maintain adequate controls and procedures while executing, and subsequent to completing, our restructuring plans; (v) diversion of management attention and resources from ongoing business activities and/or a decrease in employee morale; (vi) attrition beyond any planned reduction in workforce; and (vii) damage to our reputation and brand image due to our restructuring-related activities.

If we are not successful in implementing and managing our restructuring plans, we may not be able to achieve targeted operating enhancements, sales growth, and/or cost reductions, which could adversely impact our business. Our failure to achieve targeted results for any reason, including business disruptions from pandemic diseases such as COVID-19, could also lead to the implementation of additional restructuring-related activities, which may be dilutive to our earnings in the short term.

## **Risks Related to our Business and Operations**

**The loss of the services of Mr. Ralph Lauren or any other changes to our executive and senior management team may be disruptive to, or cause uncertainty in, our business.**

Mr. Ralph Lauren's leadership in the design and marketing areas of our business has been a critical element of our success since the inception of our Company. Mr. R. Lauren is instrumental to, and closely identified with, our brand that bears his name. Our ability to maintain our brand image and leverage the goodwill associated with Mr. R. Lauren's name may be damaged if we were to lose his services. The death or disability of Mr. R. Lauren or other extended or permanent loss of his services, or any negative market or industry perception with respect to him or arising from his loss, could have a material adverse effect on our business.

We also depend on the service and management experience of other key executive officers and members of senior management who have substantial experience and expertise in our industry and our business and have made significant contributions to our growth and success. Competition in our industry to attract and retain these employees is intense and is influenced by our reputation, our ability to offer competitive compensation and benefits, and economic conditions, among other factors. Any changes in our executive and senior management team, including those resulting from our restructuring actions, may be disruptive to, or cause uncertainty in, our business and future strategic direction. The departure of any key individuals and the failure to ensure a smooth transition and effective transfer of knowledge involving senior employees could hinder or delay our strategic planning and execution, as well as adversely affect our ability to attract and retain other experienced and talented employees. Furthermore, the retail industry (among others) has been adversely affected by overall labor shortages resulting from a combination of the COVID-19 pandemic, labor disputes, strikes, and other factors. The introduction of new work arrangements and company-specific requirements regarding when and how often employees are required to work on-site versus remotely may also impact companies' ability to attract and retain employees. The departure of key individuals or our failure to maintain sufficient employee staffing levels could have a material adverse impact on our business, as well as impede our ability to maintain an effective system of internal controls and compliance with the requirements under the Sarbanes-Oxley Act of 2002.

We are not protected by a material amount of key-man or similar life insurance covering our executive officers, including Mr. R. Lauren, or other members of senior management. We have entered into employment agreements with certain of our executive officers, but competition for experienced executives in our industry is intense and the non-compete period with respect to certain of our executive officers could, in some circumstances in the event of their termination of employment with our Company, end prior to the employment term set forth in their employment agreements.

## **We face intense competition worldwide in the markets in which we operate.**

We face increasing competition from companies selling apparel, footwear, accessories, home, and other of our product categories through the Internet. Although we sell our products through the Internet, increased competition and promotional activity in the worldwide apparel, footwear, accessory, and home product industries from Internet-based competitors could reduce our sales, prices, and margins. We also face intense competition from other domestic and foreign fashion-oriented apparel, footwear, accessory, and casual apparel producers that sell products through brick and mortar stores and wholesale and licensing channels. We compete with these companies primarily on the basis of:

- anticipating and responding in a timely fashion to changing consumer demands and shopping preferences, including the ever-increasing shift to digital brand engagement, social media communications, and online and cross-channel shopping;
- creating and maintaining favorable brand recognition, loyalty, and a reputation for quality, including through digital brand engagement and online and social media presence;
- developing and producing innovative, high-quality products in sizes, colors, and styles that appeal to consumers of varying age groups;
- competitively pricing our products and creating an acceptable value proposition for consumers, including price increases to mitigate inflationary pressures while simultaneously balancing the risk of lower consumer demand in response to any such price increases;
- providing strong and effective marketing support in several diverse demographic markets, including through digital and social media platforms in order to stay better connected to consumers;
- providing attractive, reliable, secure, and user-friendly digital commerce sites;
- obtaining sufficient retail floor space and effective presentation of our products at stores and shop-within-shops;
- attracting consumer traffic to stores, shop-within-shops, and digital commerce sites;

- sourcing sustainable raw materials at cost-effective prices;
- anticipating and maintaining proper inventory levels;
- ensuring product availability and optimizing supply chain and distribution efficiencies with third-party manufacturers and retailers;
- maintaining and growing market share;
- recruiting and retaining employees to operate our retail stores, distribution centers, and various corporate functions;
- protecting our intellectual property; and
- ability to withstand prolonged periods of adverse economic conditions or business disruptions.

Some of our competitors may be significantly larger and more diversified and may have greater financial, marketing, and distribution resources, more desirable store locations, and/or greater digital commerce presence than us, among other competitive advantages. Such competitive advantages may enable them to better withstand unfavorable economic conditions, compete more effectively on the basis of price and production, and/or more quickly respond to rapidly changing fashion trends and consumer preferences than us. In addition, technological advances and the retail industry's low barriers to entry allow for the introduction of new competitors and products at a rapid pace, which has been further compounded by the increasing shift to digital shopping channels. Any increased competition, or our failure to adequately address any of these competitive factors, could result in reduced market share or sales, which could adversely affect our business.

**The success of our business depends on our ability to retain the value and reputation of our brands.**

Our success depends on the value and reputation of our brands and our ability to consistently anticipate, identify, and respond to customers' demands, preferences, and fashion trends in the design, pricing, and production of our products, including the preference for certain products to be manufactured in the U.S., and deliver high-quality and sustainable products. Any negative publicity regarding Mr. R. Lauren, or other members of our executive and senior management team, or our Company as a whole, especially through social media which accelerates and increases the potential scope of negative publicity, could negatively impact the image of our brands with our customers and result in diminished loyalty to our brands and potentially lead to adverse consumer actions, including boycotts, even if the subject of such publicity is unverified or inaccurate and we seek to correct it. Consumer sentiment can also be influenced by our partnership with athletes and other public figures. Even if we react appropriately to negative publicity, our customers' perception of our brand image and our reputation could be negatively impacted. Any failure on our part to retain the value and reputation of brands could adversely impact our business.

**Our trademarks and other intellectual property rights may not be adequately protected outside the U.S.**

We believe that our trademarks, intellectual property, and other proprietary rights are extremely important to our success and our competitive position. We devote substantial resources to the establishment and protection of our trademarks and anti-counterfeiting activities worldwide. However, significant counterfeiting and imitation of our products continue to exist. In addition, the laws of certain foreign countries may not protect trademarks or other proprietary rights to the same extent as do the laws of the U.S. and, as a result, our intellectual property may be more vulnerable and difficult to protect in such countries. Over the course of our international expansion, we have experienced conflicts with various third parties that have acquired or claimed ownership rights to some of our key trademarks that include Polo and/or a representation of a polo player astride a horse, or otherwise have contested our rights to our trademarks. We have resolved certain of these conflicts through both legal action and negotiated settlements. We cannot guarantee that the actions we have taken to establish and protect our trademarks and other proprietary rights will be adequate to prevent counterfeiting, lost business, or brand dilution, any of which may have a material adverse effect on our business. We expect to continue to devote substantial resources to challenge brands arising from imitation of our products. Also, there can be no assurance that others will not assert rights in, or ownership of, trademarks and other proprietary rights of ours or that we will be able to successfully resolve these types of conflicts to our satisfaction or at all. See Item 1 — "Business — Trademarks," and Item 3 — "Legal Proceedings."

**Our business is subject to risks associated with importing products and the ability of our manufacturers to produce our goods on time and to our specifications.**

We do not own or operate any manufacturing facilities and depend exclusively on independent third parties for the manufacture of our products. Our products are manufactured to our specifications through arrangements with over 300 foreign manufacturers in various countries. In Fiscal 2022, approximately 97% of our products (by dollar value) were produced outside of the U.S., primarily in Asia, Europe, and Latin America, with approximately 19% of our products sourced from China and another 19% from Vietnam. Risks inherent in importing our products include:

- pandemic diseases, such as COVID-19, which could result in closed factories, reduced workforces, scarcity of raw materials, port congestion, and scrutiny or embargoing of goods produced in infected areas;
- changes in social, political, and economic conditions, including those resulting from military conflicts, terrorist acts, or other hostilities, that could result in the disruption of trade from the countries in which our manufacturers or suppliers are located;
- changes in diplomatic and trade relationships, including the imposition of any sanctions, restrictions, and other responses, such as those recently issued by the U.S. and other countries against Russia in response to its war with Ukraine;
- the imposition of additional regulations, quotas, or safeguards relating to imports or exports, and costs of complying with such regulations and other laws relating to the identification and reporting of the sources of raw materials used in our products;
- the imposition of additional duties, tariffs, taxes, and other charges on imports or exports;
- unfavorable changes in the availability, cost, or quality of raw materials and commodities;
- increases in the cost of labor, travel, and transportation;
- disruptions of shipping and international trade caused by natural and man-made disasters, labor shortages (stemming from labor disputes, strikes, or otherwise), or other unforeseen events, including any resulting impact to shipping prices;
- heightened terrorism-related cargo and supply chain security concerns, which could subject imported or exported goods to additional, more frequent, or more thorough inspections, leading to delays in the delivery of cargo;
- decreased scrutiny by customs officials for counterfeit goods, leading to lost sales, increased costs for our anti-counterfeiting measures, and damage to the reputation of our brands; and
- the imposition of sanctions in the form of additional duties either by the U.S. or its trading partners to remedy perceived illegal actions by national governments.

The entire apparel industry, including our Company, continues to face supply chain challenges as a result of COVID-19-related business disruptions, political instability, inflationary pressures, and other factors, including reduced freight availability, port congestion, labor shortages, and rising wages and energy costs, among other factors. The inability of a manufacturer to ship orders of our products in a timely manner or to meet our strict quality standards could cause us to miss the delivery date requirements of our customers for those items, which could result in cancellation of orders, refusal to accept deliveries, or a substantial reduction in purchase prices. We have also incurred, and expect to continue to incur, higher freight and other logistic costs as a result of certain of the beforementioned factors, as well as our increased use of air freight as we attempt to mitigate delays in inventory receipts. Prices of raw materials used to manufacture our products are also subject to significant fluctuation as a result of certain of the beforementioned factors, as well as crop yields which could be negatively impacted by severe weather conditions. We may not be able to offset such increases in raw materials, freight, or other sourcing costs through pricing actions or other means. Any one of these factors could have a material adverse effect on our business. For a discussion of risks related to the potential imposition of additional regulations and laws, see *"Risks Related to Regulatory, Legal, and Tax Matters — Our ability to conduct business globally may be affected by a variety of legal, regulatory, political, and economic risks."*

#### **Our business could suffer if we need to replace manufacturers or distribution centers.**

We do not own or operate any manufacturing facilities and depend exclusively on independent third parties for the manufacture of our products. We compete with other companies for the production capacity of our manufacturers. Some of these competitors may place larger orders than we do, and thus may have an advantage in securing production capacity. If we experience a significant increase in demand, or if an existing manufacturer of ours must be replaced, we may have to expand our third-party manufacturing capacity. We cannot guarantee that this additional capacity will be available when required on terms that are acceptable to us. See Item 1 — *"Business — Sourcing, Production and Quality."* We enter into purchase order commitments each season specifying a time for delivery, method of payment, design and quality specifications, and other standard industry provisions, but do not have long-term contracts with any manufacturer. None of the manufacturers we use produce our products exclusively.

In addition, we rely on a number of owned, leased, and independently-operated distribution facilities around the world to warehouse and ship products to our customers and perform other related logistic services. Our ability to meet the needs of our customers depends on the proper operation of these distribution centers. Our distributions centers generally utilize computer-

controlled and automated equipment, which are subject to various risks, including software viruses, security breaches, power interruptions, or other system failures. If any of our distribution centers were to close or become inoperable or inaccessible for any reason, including pandemic diseases such as COVID-19, or if we fail to successfully consolidate existing facilities or transition to new facilities, we could experience a substantial loss of inventory, disruption of deliveries to our customers and our stores, increased costs, and longer lead times associated with the distribution of products during the period that would be required to reopen or replace the facility. Any such disruptions could have a material adverse effect on our business.

We also rely upon third-party transportation providers for substantially all of our product shipments, including shipments to and from our distribution centers, to our stores and shop-within-shops, and to our digital commerce and wholesale customers. Our utilization of these shipping services is subject to various risks, including, but not limited to, potential labor shortages (stemming from labor disputes, strikes, or otherwise), severe weather, and pandemic diseases, which could delay the timing of shipments, and increases in wages and fuel prices, which could result in higher transportation costs. The rapid increase of online shopping driven by changes in consumer shopping preferences has amplified certain of these risks resulting in capacity constraints. As previously noted, we have incurred, and expect to continue to incur, higher freight and other logistic costs as a result of certain of the aforementioned factors, as well as our increased use of air freight as we attempt to mitigate delays in inventory receipts. Any delays in the timing of our product shipments or increases in transportation costs could have a material adverse effect on our business.

**Our business is subject to risks associated with leasing real estate and other assets under long-term, non-cancellable leases.**

We generally operate most of our stores and corporate facilities under long-term, non-cancellable leasing arrangements. Our retail store leases typically require us to make minimum rental payments, and often contingent rental payments based upon sales. In addition, our leases generally require us to pay our proportionate share of the cost of insurance, taxes, maintenance, and utilities. We generally cannot cancel our leases at our option. If we decide to close a store, or if we decide to downsize, consolidate, or relocate any of our corporate facilities, we may be required to record an impairment charge and/or exit costs associated with the disposal of the store or corporate facility. In addition, we may remain obligated under the applicable lease for, among other things, payment of the base rent for the remaining lease term, even after the space is exited or otherwise closed and even if such closures are beyond our control (such as the forced store closures resulting from the COVID-19 pandemic). Such costs and obligations related to the early or temporary closure of our stores or termination of our leases could have a material adverse effect on our business. In addition, as each of our leases naturally expires, we may be unable to negotiate renewals, either on commercially acceptable terms or at all, which could lead to store closures resulting in lost sales.

**A substantial portion of our revenue is derived from a limited number of large wholesale customers. Our business could be adversely affected as a result of consolidations, liquidations, restructurings, other ownership changes in the retail industry, and/or any financial instability of our large wholesale customers.**

Several of our department store customers, including some under common ownership, account for a significant portion of our wholesale net sales. A substantial portion of sales of our licensed products by our domestic licensing partners are also made to our largest department store customers. Sales to our three largest wholesale customers accounted for approximately 16% of total net revenues for Fiscal 2022, and these customers accounted for approximately 31% of our total gross trade accounts receivable outstanding as of April 2, 2022. Substantially all sales to our three largest wholesale customers related to our North America segment.

We typically do not enter into long-term agreements with our customers. Instead, we enter into a number of purchase order commitments with our customers for each of our product lines every season. A decision by the controlling owner of a group of stores or any other significant customer, whether motivated by economic conditions, financial difficulties, competitive conditions, or otherwise, to decrease or eliminate the amount of merchandise purchased from us or our licensing partners or to change their manner of doing business with us or our licensing partners or their new strategic and operational initiatives, including their continued focus on further development of their "private label" initiatives, could have a material adverse effect on our business.

The department store sector has also experienced numerous consolidations, restructurings, reorganizations, and other ownership changes in recent years, which could potentially increase in frequency as a result of prolonged periods of adverse economic conditions, such as those being caused by the COVID-19 pandemic, or changes in consumer shopping preferences, such as the increasing shift away from traditional brick and mortar wholesale retailers to larger online retailers. Our wholesale customers have experienced significant business disruptions as a result of the pandemic, including declines in retail traffic, temporary store closures, and other operational restrictions. There can be no assurance that our wholesale customers have adequate financial resources and/or access to additional capital to withstand prolonged periods of such adverse economic

conditions. The loss of one or more significant wholesale customers, or the loss of a large number of smaller wholesale customers, could have a material adverse effect on our business.

Further, even prior to the COVID-19 pandemic, certain of our large wholesale customers, particularly those located in the U.S., have been highly promotional and have aggressively marked down their merchandise, including our products. The continuation of such promotional activity could negatively impact our brand image and/or lead to requests from those customers for increased markdown allowances at the end of the season. In response and in connection with our growth plan, we strategically reduce shipments to certain of our customers and close less productive doors when deemed appropriate.

We sell our wholesale merchandise primarily to major department stores, specialty stores, and third-party digital partners across North America, Europe, Asia, and Australia, and extend credit based on an evaluation of each wholesale customer's financial condition, usually without requiring collateral. However, the financial difficulties of a wholesale customer, including those resulting from the COVID-19 pandemic, could cause us to limit or eliminate our business with that customer. We may also assume more credit risk relating to that customer's receivables. Our inability to collect on our trade accounts receivable from any one of these customers could have a material adverse effect on our business. See Item 1 — "Business — Wholesale Credit Control."

**We have a substantial amount of indebtedness which could restrict our ability to engage in additional capital-related transactions in the future.**

As of April 2, 2022, our consolidated indebtedness was approximately \$1.636 billion, comprised of our outstanding borrowings under Senior Notes. We also maintain several credit and overdraft facilities, including our Global Credit Facility, which collectively had a remaining availability of approximately \$564 million as of April 2, 2022. Accordingly, the amount of our indebtedness could further increase materially if we decide to draw upon our credit or overdraft facilities. This substantial level of indebtedness could have adverse consequences to our business, including (i) making it more difficult to satisfy our debt obligations as they become due; (ii) impairing our ability to obtain additional financing in the future; (iii) limiting our flexibility to plan for, or react to, changes in our business; and (iv) increasing our vulnerability to adverse economic and industry conditions.

We rely on our operating cash flows to repay our outstanding borrowings, as well as to fund any working capital needs, capital expenditures, dividend payments, share repurchases, and other general corporate purposes. Prolonged periods of adverse economic conditions or business disruptions in any of our key regions, or a combination thereof, such as those resulting from the COVID-19 pandemic, could impede our ability to pay our obligations as they become due or return value to our shareholders, as well as delay previously planned expenditures related to our operations. Credit rating agencies also periodically review our capital structure and our ability to generate earnings. A prolonged period of deteriorated financial performance or our inability to comply with debt covenants (as discussed below) could make future financing more difficult to secure and/or expensive. Further, factors beyond our control, such as adverse economic conditions, could disrupt capital markets and limit the availability or willingness of financial institutions to extend capital to us in the future.

Certain of our debt instruments contain a number of affirmative and negative covenants, including maintaining a leverage ratio at or below a specified level. Our failure to comply with such covenants or otherwise secure temporary waivers of non-compliance, could result in the termination of the related facilities and/or our lenders demanding any amounts outstanding to be immediately repaid, which could have a material adverse effect on our business. Further, even if we are able to obtain waivers of non-compliance, such waivers may result in incremental fees, higher interest rates, and/or additional restrictions and covenants.

**We rely on our licensing partners to preserve the value of our licenses. Failure to maintain licensing partners could harm our business.**

The risks associated with our own products also apply to our licensed products in addition to any number of possible risks specific to a licensing partner's business, including risks associated with a particular licensing partner's ability to (i) obtain capital; (ii) execute its business plans; (iii) manage its labor relations; (iv) maintain relationships with its suppliers and customers; (v) generate sufficient cash flows to fund its operations and pay its obligations as they become due, including minimum royalties due to us; (vi) withstand prolonged periods of adverse economic conditions, such as those being caused by the COVID-19 pandemic and the Russia-Ukraine war; and (vii) manage its credit and bankruptcy risks effectively.

Although a number of our license agreements prohibit our licensing partners from entering into licensing arrangements with our competitors, our licensing partners generally are not precluded from offering, under other non-competitor brands, the types of products covered by their license agreements with us. A substantial portion of sales of our products by our domestic licensing partners are also made to our largest customers. While we have significant control over our licensing partners'

products and advertising, we rely on our licensing partners for, among other things, operational and financial control over their businesses. Changes in management, reduced sales of licensed products, poor execution, or financial difficulties with respect to any of our licensing partners could adversely affect our revenues, both directly from reduced licensing revenue received and indirectly from reduced sales of our other products. Although we believe that we could replace our existing licensing partners in most circumstances, if necessary, our inability to do so for any period of time could adversely affect our revenues, both directly from reduced licensing revenue received and indirectly from reduced sales of our other products. See Item 1 — "Business — Our Licensing Business."

**Our business could be adversely affected by man-made or natural disasters and other catastrophic events in the locations in which we or our customers or suppliers operate.**

Our operations, including retail, distribution, and warehousing operations, are susceptible to man-made or natural disasters, including pandemic diseases such as COVID-19, severe weather, geological events, and other catastrophic events, such as terrorist attacks and military conflict, any of which could disrupt our operations. In addition, the operations of our customers and suppliers could experience similar disruptions. The occurrence of natural disasters or other catastrophic events may result in sudden disruptions in the business operations of the local economies affected, as well as of the regional and global economies. The occurrence of such events could also adversely affect financial markets and the availability of capital. In addition, our business can be affected by unseasonable weather conditions, such as extended periods of unseasonably warm temperatures in the winter or unseasonably cold temperatures in the summer. There is growing concern that climate change may increase both the frequency and severity of extreme weather conditions and natural disasters. Any of these events could result in decreased demand for our products and disruptions in our sales channels and manufacturing and distribution networks, which could have a material adverse effect on our business.

**Risks Related to Information Systems and Data Security**

**A data security or privacy breach could damage our reputation and our relationships with our customers or employees, expose us to litigation risk, and adversely affect our business.**

We are dependent on information technology systems and networks, including the Internet, for a significant portion of our direct-to-consumer sales, including our digital commerce operations and retail business credit card transaction authorization and processing. We are also responsible for storing data relating to our customers and employees and rely on third parties for the operation of our digital commerce sites and for the various social media tools and websites we use as part of our marketing strategy. In our normal course of business, we often collect, transmit, and/or retain certain sensitive and confidential customer information, including credit card information. There is significant concern by consumers, employees, and lawmakers alike over the security of personal information transmitted over the Internet, consumer identity theft, and user privacy, as cyber-criminals are becoming increasingly more sophisticated in their attempts to gain unauthorized access to computer systems and confidential or sensitive data.

Despite the security measures we currently have in place (including those described in Item 1 — "Business — Information Systems"), our facilities and systems and those of our third-party service providers may be vulnerable to targeted or random attacks that could lead to security breaches, acts of vandalism, phishing attacks, denial-of-service attacks, computer viruses, malware, ransomware, misplaced or lost data, programming and/or human errors, or other Internet or email events. The increased use of smartphones, tablets, and other wireless devices, as well as ongoing work-from-home arrangements for a substantial portion of our corporate employees, may also heighten these and other operational risks. The retail industry in particular continues to be the target of many cyber-attacks, which are becoming increasingly more difficult to anticipate and prevent due to their rapidly evolving nature. Furthermore, economic sanctions issued by one country against another, such as those recently issued by the U.S. and other countries against Russia in response to its war with Ukraine, could increase the risk of retaliatory state-sponsored cyber-attacks. Given the rapidly evolving nature, sophistication, and complexity of cyber-attacks, despite our reasonable efforts to mitigate and prevent such attacks, it is possible that we may not be able to anticipate, prevent, detect, or implement effective preventive measures to protect against all cyber-attack incidents.

Although we have purchased network security and cyber liability insurance to provide a level of financial protection should a data breach occur, such insurance may not cover us against all claims or costs associated with such a breach, and we cannot be certain that such insurance will continue to be available to us on economically reasonable terms or at all, or that our insurers will not deny coverage as to any future claim. Additionally, the technology we use to protect our systems from being breached or compromised could become outdated as a result of advances in computer capabilities or other technological developments, thereby requiring us to make further investments in capital or other resources to protect us against cyber-attacks, the cost of which could be significant. Further, measures we implement to protect our computer systems against cyber-attacks may make them harder to use or reduce the speed at which they operate, which in turn could negatively impact our customers' shopping experience resulting in reduced website traffic, diminished loyalty to our brands, and lost sales.

Any perceived or actual electronic or physical security breach involving the misappropriation, loss, or other unauthorized disclosure of confidential or personally identifiable information, including penetration of our network security, whether by us or by a third party, could disrupt our business, severely damage our reputation and our relationships with our customers, employees, or vendors, expose us to risks of litigation, significant fines and penalties, liability, and higher costs for insurance or insurance not being available to us on economically feasible terms or at all, and result in deterioration in our customers', employees', or vendors' confidence in us, and adversely affect our business, results of operations, and financial condition. Since we do not control third-party service providers and cannot guarantee that no electronic or physical computer break-ins and security breaches will occur in the future, any perceived or actual unauthorized disclosure of personally identifiable information regarding our employees, customers, or website visitors could harm our reputation and credibility, result in lost sales, impair our ability to attract website visitors, and/or reduce our ability to attract and retain employees and customers. As these threats develop and grow, we may find it necessary to make significant further investments to protect data and our infrastructure, including the implementation of new computer systems or upgrades to existing systems, deployment of additional personnel and protection-related technologies, engagement of third-party consultants, and training of employees.

In addition, the regulatory environment relating to information security and privacy is becoming increasingly more demanding with frequent new requirements surrounding the handling, protection, and use of personal and sensitive information. We may incur significant costs in complying with the various applicable state, federal, and foreign laws regarding protection of, and unauthorized disclosure of, personal information. Additionally, failing to comply with such laws and regulations could damage the reputation of our brands and lead to adverse consumer actions, as well as expose us to government enforcement action and/or private litigation, any of which could adversely affect our business.

#### **Our business could suffer if our computer systems and websites are disrupted or cease to operate effectively.**

We are dependent on our computer systems to record and process transactions and manage and operate our business, including designing, marketing, manufacturing, importing, tracking, and distributing our products, processing payments, accounting for and reporting financial results, and managing our employees and employee benefit programs. In addition, we have digital commerce and other informational websites in North America, Europe, and Asia, including Australia and New Zealand, and have plans for additional digital commerce sites in the future. Our digital commerce operations are a critical element of our long-term growth strategy and are vital to the overall success of our business. Furthermore, a substantial portion of our corporate employees continue to work remotely. Given the complexity of our business and the significant number of transactions that we engage in on a daily basis, it is imperative that we maintain uninterrupted operation of our computer hardware and software systems.

Despite our preventative efforts, our systems are vulnerable to damage or interruption from, among other things, security breaches, computer viruses, technical malfunctions, inadequate system capacity, power outages, natural disasters, and usage errors by our employees or third-party consultants. If our information technology systems become damaged or otherwise cease to function properly, we may have to make significant investments to repair or replace them. Additionally, confidential or sensitive data related to our customers, employees, or vendors could be lost or compromised. We are continually improving and upgrading our computer systems and software, which also involves risks and uncertainties. Any disruptions, delays, or deficiencies in the design, implementation, or transition of such systems could result in increased costs, disruptions in the sourcing, sale, and shipment of our product, delays in the collection of cash from our customers, and/or adversely affect our ability to accurately report our financial results in a timely manner. Any material disruptions in our information technology systems could have a material adverse effect on our business.

#### **Risks Related to Environmental, Social, and Governance Issues**

#### **Our business could suffer if we fail to meet our global citizenship and sustainability goals or if such goals do not meet the expectations of our stakeholders**

There is an increased focus from consumers, employees, investors, advocacy groups, and other stakeholders concerning environmental, social, and governance ("ESG") matters, including climate change, and the related sustainability initiatives of companies. Furthermore, investors have placed increased importance on the social cost of their investments. Although we have established certain long-term initiatives and goals regarding our impact on the environment and society as a whole, including our diversity, equity, and inclusion initiatives, there can be no assurance that our various stakeholders will agree with our initiatives or if we will be successful in achieving our goals by our targeted dates or at all. Further, we could incur additional costs, face market and technological barriers, and require additional resources to monitor, report, and comply with various ESG practices. Our failure, or perceived failure, to achieve our sustainability goals could damage the reputation of our brands and lead to adverse consumer actions and/or investment decisions by investors, as well as our ability to attract and retain employees.

## **Climate change, or our ability to adhere to any legislation and regulatory requirements related to climate change, may adversely affect our business.**

Our business is susceptible to risks associated with climate change, including potential disruptions to our retail stores, distribution centers, and corporate facilities. Increased frequency and/or severity of adverse weather events due to climate change could adversely impact global supply chains, including the availability and cost of raw materials (such as cotton, a key raw material used in the production of our products that is highly susceptible to severe weather conditions), the ability of our manufacturers to fulfill our orders timely and to our specifications, and shipping disruptions and/or higher freight costs. An increase in extreme weather conditions could also result in more frequent damage and/or closures of our stores and distribution centers, adversely impact retail traffic, consumer's disposable income levels or spending habits on discretionary items, or otherwise disrupt business operations in the communities in which we operate, any of which could result in lost sales or higher costs.

In addition, many countries in which we and our suppliers operate have begun enacting new legislation and regulations in an attempt to mitigate the potential impacts of climate change, which could result in higher sourcing, operational, and compliance-related costs. Such proposed measures also include expanded disclosure requirements regarding greenhouse gas emissions and other climate-related information, including independent auditors providing some level of attestation to the accuracy of such disclosures. Our ability to comply with any such new laws and regulations may lead to increased costs and operational complexity. Any failure on our part to comply with such climate change-related regulations could lead to adverse consumer actions and/or investment decisions by investors, as well as expose us to government enforcement action and/or private litigation.

## **Risks Related to Regulatory, Legal, and Tax Matters**

### **Our ability to conduct business globally may be affected by a variety of legal, regulatory, political, and economic risks.**

Our ability to capitalize on growth in new international markets and to maintain our current level of operations in our existing markets is subject to certain risks associated with operating in various locations around the globe. These include, but are not limited to:

- complying with a variety of U.S. and foreign laws and regulations, including, but not limited to, trade, forced labor, product labeling, and product safety restrictions, as well as the Foreign Corrupt Practices Act, which prohibits U.S. companies from making improper payments to foreign officials for the purpose of obtaining or retaining business, and similar foreign country laws, such as the U.K. Bribery Act, which prohibits U.K. and related companies from any form of bribery;
- adapting to local customs and culture;
- unexpected changes in laws, judicial processes, or regulatory requirements;
- the imposition of additional duties, tariffs, taxes, and other charges or other barriers to trade;
- changes in diplomatic and trade relationships;
- civil and political instability, military conflicts, and terrorist attacks;
- pandemic diseases, such as COVID-19; and
- general economic fluctuations in specific countries or markets.

Changes in regulatory, geopolitical, social, economic, or monetary policies and other factors may have a material adverse effect on our business in the future or may require us to exit a particular market or significantly modify our current business practices. For example, in recent years both the U.S. and China have imposed new tariffs on each other related to the importation of certain product categories, including imports of apparel into the U.S. from China. As a result of actions to mitigate our exposure to the resulting tariffs, which have included diverting production to and sourcing from other countries, driving productivity within our existing supplier base, and taking pricing actions, the tariffs enacted to date have not had a material adverse impact on our business operations. However, if the U.S. decides to impose additional tariffs on apparel or other of our goods imported from China, there can be no assurance that we will be able to offset all related increased costs, which could be material to our business operations as approximately 19% of our products are sourced from China. We cannot predict if, and to what extent, there will be changes to international trade agreements or the resulting impact any such changes would have on our business operations, which could be material. For a discussion of risks associated with the importation of products, see "*Risks Related to our Business and Operations — Our business is subject to risks associated with importing products and the ability of our manufacturers to produce our goods on time and to our specifications.*"

Our business could also be impacted by changes to the tax laws and regulations in the countries where we operate. For example, the Organisation for Economic Co-operation and Development (the "OECD"), which represents a coalition of member countries, has proposed changes to numerous long-standing tax principles through its Base Erosion and Profit Shifting project, which is focused on a number of issues, including the shifting of profits among affiliated entities located in different tax jurisdictions. In response, certain member countries have, or are otherwise planning to, implement legislation to align their international tax rules with the OECD's recommendations. Additionally, the Biden Administration has proposed to increase the U.S. corporate income tax rate from 21% up to as much as 28%, as well as increase U.S. taxation on foreign earnings. Other taxing authorities of certain state, local, and other foreign jurisdictions may also decide to modify existing tax laws. We cannot predict which, if any, of these items or others will be enacted into law or the resulting impact any such enactment will have on our business operations, which could be material.

**Fluctuations in our tax obligations and effective tax rate may result in volatility of our operating results.**

We are subject to income and non-income taxes in many U.S. and certain foreign jurisdictions, with the applicable tax rates varying by jurisdiction. We record tax expense based on our estimates of future payments, which include reserves for uncertain tax positions in multiple tax jurisdictions. At any given time, multiple tax years are subject to audit by various taxing authorities. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these issues. As a result, we expect that throughout the year there could be ongoing variability in our quarterly tax rates as events occur and exposures are evaluated. Our effective tax rate in a given financial statement period may also be materially impacted by changes in the mix and level of earnings by jurisdiction or by changes to existing accounting rules. Additionally, our products are subject to import and excise duties, and/or sales, consumption, value-added taxes ("VAT"), and other non-income taxes in certain international jurisdictions. Failure to correctly calculate or submit the appropriate amount of income or non-income taxes could subject us to substantial fines and penalties and adversely affect our business.

In addition, the tax laws and regulations in the countries where we operate may change, or there may be changes in interpretation and enforcement of existing tax laws, which could materially affect our income tax expense in our consolidated financial statements. For a discussion of risks related to the potential imposition of additional regulations and laws, see "*Risks Related to Regulatory, Legal, and Tax Matters — Our ability to conduct business globally may be affected by a variety of legal, regulatory, political, and economic risks.*"

**Our business could suffer if we fail to comply with labor laws or if one of our manufacturers fails to use acceptable labor or environmental practices.**

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

In addition, we require our licensing partners and independent manufacturers to operate in compliance with applicable laws and regulations. While our internal and vendor operating guidelines promote ethical business practices and our employees periodically visit and monitor the operations of our independent manufacturers, we do not control these manufacturers or their labor practices. The violation of any ethical, social, product safety, labor, health, environmental, privacy, or other standards and regulations by an independent manufacturer used by us or one of our licensing partners, could interrupt or otherwise disrupt the shipment of finished products to us or damage our reputation. Any of these events, in turn, could have a material adverse effect on our business.

**Certain legal proceedings, regulatory matters, and accounting changes could adversely affect our business.**

We are involved in certain legal proceedings and regulatory matters and are subject from time to time to various claims involving alleged breach of contract claims, intellectual property and other related claims, escheatment and unclaimed property, credit card fraud, security breaches in certain of our retail store information systems, employment issues, consumer matters, and other litigation. Certain of these lawsuits and claims, if decided adversely to us or settled by us, could result in material liability to our Company or have a negative impact on our reputation or relations with our employees, customers, licensing partners, or other third parties. Other potential claimants may also be encouraged to bring suits against us based on a settlement from us or adverse court decision against us for similar claims or allegations as their own. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings could result in substantial costs and may require our Company to devote substantial time and resources to defend itself. Further, changes in governmental regulations both in the U.S. and in other

countries where we conduct business operations could have an adverse impact on our business. See Item 3 — "Legal Proceedings" for further discussion of our Company's legal matters.

In addition, we are subject to changes in accounting rules and interpretations issued by the Financial Accounting Standards Board and other regulatory agencies. If and when effective, such changes to accounting standards could have a material impact on our consolidated financial statements. See Note 4 to the accompanying consolidated financial statements for a discussion of certain recently issued accounting standards.

#### **Risks Related to our Common Stock**

**The trading prices of our securities periodically may rise or fall based on the accuracy of predictions of our earnings or other financial performance, including our ability to return value to shareholders.**

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

The stock market in general has experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of listed companies. Accordingly, public perception and other factors outside of our control may impact our stock price, regardless of our actual operating performance.

In addition, we have historically returned value to shareholders through our payment of quarterly cash dividends and common stock share repurchases. Investors may have an expectation that we will continue to pay quarterly cash dividends, further increase our cash dividend rate, and/or repurchase shares available under our Class A common stock repurchase program. Our ability to pay quarterly cash dividends and repurchase our Class A common stock will depend on our ability to generate sufficient cash flows from operations in the future. This ability may be subject to certain economic, financial, competitive, and other factors that are beyond our control, such as impacts related to the COVID-19 pandemic, which has resulted in us temporarily suspending our quarterly cash dividend and share repurchases, effective beginning in the first quarter of Fiscal 2021. Although we have since resumed activity under both of these programs during Fiscal 2022, our Board of Directors may, at its discretion, elect to suspend or otherwise alter these programs at any time. The market price of our securities could be adversely affected if our cash dividend payments and/or Class A common stock share repurchase activity differ from investors' expectations.

**The voting shares of our Company's stock are concentrated in one majority stockholder.**

As of April 2, 2022, Mr. Ralph Lauren, or entities controlled by the Lauren family, held approximately 85% of the voting power of the outstanding common stock of our Company. In addition, Mr. R. Lauren serves as our Executive Chairman and Chief Creative Officer, Mr. R. Lauren's son, Mr. David Lauren, serves as our Chief Innovation Officer, Strategic Advisor to the CEO, and Vice Chairman of the Board of Directors, and we employ other members of the Lauren family. From time to time, we may have other business dealings with Mr. R. Lauren, members of the Lauren family, or entities affiliated with Mr. R. Lauren or the Lauren family. As a result of his stock ownership and position in our Company, Mr. R. Lauren has the ability to exercise significant control over our business, including, without limitation, (i) the election of our Class B common stock directors, voting separately as a class and (ii) any action requiring the approval of our stockholders, including the adoption of amendments to our certificate of incorporation and the approval of mergers or sales of all or substantially all of our assets.

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

None.

## **Item 2. Properties.**

We lease space for our retail stores, showrooms, warehouses, and offices in various domestic and international locations. We do not own any real property except for our retail digital commerce call center and distribution facility in High Point, North Carolina; and our retail stores in Southampton and Easthampton, New York, and Nantucket, Massachusetts.

We believe that our existing facilities are well maintained, in good operating condition, and are adequate for our present level of operations.

The following table sets forth information relating to our principal properties as of April 2, 2022:

Location	Use	Approximate Square Feet
NC Highway 66, High Point, NC	Wholesale and retail distribution facility	847,000
N. Pendleton Street, High Point, NC	Retail digital commerce call center and distribution facility	805,000
Greensboro, NC	Wholesale and retail distribution facility	357,400
650 Madison Avenue, NYC	Executive and corporate offices, design studio, and showrooms	240,800
601 West 26th Street, NYC	Corporate offices	216,200
Nutley, NJ	Corporate and retail administrative offices and showrooms	145,700
Spinners Building, Hong Kong	Asia sourcing offices	67,000
Gateway Office, Hong Kong	Asia corporate offices	37,500
Watford, UK	Europe corporate offices	28,000
London, UK	Europe corporate offices	19,650
888 Madison Avenue, NYC	Retail flagship store	37,900
N. Michigan Avenue, Chicago	Retail flagship store	37,500
New Bond Street, London, UK	Retail flagship store	31,500
867 Madison Avenue, NYC	Retail flagship store	27,700
Paris, France	Retail flagship store	25,700
Tokyo, Japan	Retail flagship store	25,000
N. Rodeo Drive, Beverly Hills	Retail flagship store	19,400
Milan, Italy	Retail flagship store	14,900
Prince's Building, Hong Kong	Retail flagship store	9,800

As of April 2, 2022, we directly operated 504 retail stores, totaling approximately 4.0 million square feet. We anticipate that we will be able to extend our retail store leases, as well as those leases for our non-retail facilities, which expire in the near future on satisfactory terms or relocate to desirable alternate locations. We generally lease our freestanding retail stores for initial periods ranging from 3 to 15 years, with renewal options. See Item 1A — "Risk Factors — Risks Related to our Business and Operations — Our business is subject to risks associated with leasing real estate and other assets under long-term, non-cancellable leases."

## **Item 3. Legal Proceedings.**

We are involved, from time to time, in litigation, other legal claims, and proceedings involving matters associated with or incidental to our business, including, among other things, matters involving credit card fraud, trademark and other intellectual property, licensing, importation and exportation of products, taxation, unclaimed property, leases, and employee relations. We believe at present that the resolution of currently pending matters will not individually or in the aggregate have a material adverse effect on our consolidated financial statements. However, our assessment of any current litigation or other legal claims could potentially change in light of the discovery of facts not presently known or determinations by judges, juries, or other finders of fact which are not in accord with management's evaluation of the possible liability or outcome of such litigation or claims.

## **Item 4. Mine Safety Disclosures.**

Not applicable.

## PART II

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

As of May 18, 2022, there were 634 holders of record of our Class A common stock and 7 holders of record of our Class B common stock. Our Class A common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "RL." All of our outstanding shares of Class B common stock are owned by Mr. Ralph Lauren, Executive Chairman and Chief Creative Officer, and entities controlled by the Lauren family. Shares of our Class B common stock may be converted immediately into Class A common stock on a one-for-one basis by the holder. There is no cash or other consideration paid by the holder converting the shares and, accordingly, there is no cash or other consideration received by the Company. The shares of Class A common stock issued by the Company in such conversions are exempt from registration pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended. No shares of our Class B common stock were converted into Class A common stock during the fiscal quarter ended April 2, 2022.

The following table sets forth repurchases of shares of our Class A common stock during the fiscal quarter ended April 2, 2022:

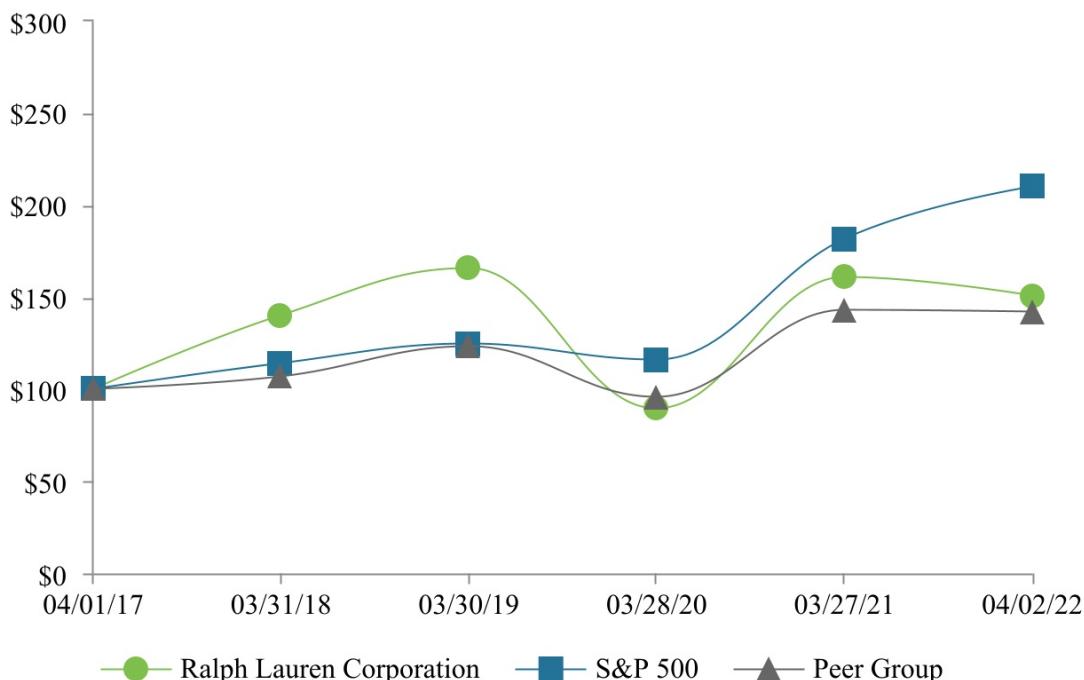
	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs <sup>(a)</sup>
December 26, 2021 to January 22, 2022	6,382 <sup>(b)</sup>	\$ 111.80	—	\$ 280
January 23, 2022 to February 19, 2022	561,729	124.37	561,729	1,710
February 20, 2022 to April 2, 2022	711,513 <sup>(c)</sup>	114.77	702,242	1,629
	1,279,624		1,263,971	

- <sup>(a)</sup> As of April 2, 2022, the remaining availability under our Class A common stock repurchase program was approximately \$1.629 billion, reflecting the February 2, 2022 approval by our Board of Directors to expand the program by up to an additional \$1.500 billion of Class A common stock repurchases. Repurchases of shares of Class A common stock are subject to overall business and market conditions.
- <sup>(b)</sup> Represents shares surrendered to or withheld by the Company in satisfaction of withholding taxes in connection with the vesting of awards issued under its long-term stock incentive plans.
- <sup>(c)</sup> Includes 9,271 shares surrendered to or withheld by the Company in satisfaction of withholding taxes in connection with the vesting of awards issued under its long-term stock incentive plans.

The following graph compares the cumulative total stockholder return (stock price appreciation plus dividends) on our Class A common stock to the cumulative total return of the Standard & Poor's 500 Index and a peer group index of companies that we believe are closest to ours (the "Peer Group") for the period from April 1, 2017, the last day of our 2017 fiscal year, through April 2, 2022, the last day of our 2022 fiscal year. Our Peer Group consists of Burberry Group PLC, Compagnie Financière Richemont SA, EssilorLuxottica SA, The Estée Lauder Companies Inc., Hermes International, Kering, LVMH, PVH Corp., Tapestry, Inc., Tod's S.p.A., and V.F. Corporation. All calculations for foreign companies in our Peer Group are performed using the local foreign issue of such companies. The returns are calculated by assuming a \$100 investment made on April 1, 2017 in Class A common stock or March 31, 2017 in an index, with all dividends reinvested.

#### **COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN**

Among Ralph Lauren Corporation, the S&P 500 Index, and a Peer Group



#### **Item 6. Reserved**

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

The following management's discussion and analysis of financial condition and results of operations ("MD&A") should be read together with our audited consolidated financial statements and notes thereto, which are included in this Annual Report on Form 10-K. We utilize a 52-53 week fiscal year ending on the Saturday immediately before or after March 31. As such, Fiscal 2022 ended on April 2, 2022 and was a 53-week period; Fiscal 2021 ended on March 27, 2021 and was a 52-week period; Fiscal 2020 ended on March 28, 2020 and was a 52-week period; and Fiscal 2023 will end on April 1, 2023 and will be a 52-week period.

### **INTRODUCTION**

MD&A is provided as a supplement to the accompanying consolidated financial statements and notes thereto to help provide an understanding of our results of operations, financial condition, and liquidity. MD&A is organized as follows:

- *Overview.* This section provides a general description of our business, global economic conditions and industry trends, and a summary of our financial performance for Fiscal 2022. In addition, this section includes a discussion of recent developments and transactions affecting comparability that we believe are important in understanding our results of operations and financial condition, and in anticipating future trends.
- *Results of operations.* This section provides an analysis of our results of operations for Fiscal 2022 and Fiscal 2021 as compared to the respective prior fiscal year.
- *Financial condition and liquidity.* This section provides a discussion of our financial condition and liquidity as of April 2, 2022, which includes (i) an analysis of our financial condition as compared to the prior fiscal year-end; (ii) an analysis of changes in our cash flows for Fiscal 2022 and Fiscal 2021 as compared to the respective prior fiscal year; (iii) an analysis of our liquidity, including the availability under our commercial paper borrowing program and credit facilities, our outstanding debt and covenant compliance, common stock repurchases, and payments of dividends; and (iv) a summary of our material cash requirements as of April 2, 2022.
- *Market risk management.* This section discusses how we manage our risk exposures related to foreign currency exchange rates, interest rates, and our investments as of April 2, 2022.
- *Critical accounting policies.* This section discusses our critical accounting policies considered to be important to our results of operations and financial condition, which typically require significant judgment and estimation on the part of management in their application. In addition, all of our significant accounting policies, including our critical accounting policies, are summarized in Note 3 to the accompanying consolidated financial statements.
- *Recently issued accounting standards.* This section discusses the potential impact on our reported results of operations and financial condition of certain accounting standards that have been recently issued.

### **OVERVIEW**

#### ***Our Business***

Our Company is a global leader in the design, marketing, and distribution of premium lifestyle products, including apparel, footwear, accessories, home furnishings, fragrances, and hospitality. Our long-standing reputation and distinctive image have been developed across a wide range of products, brands, distribution channels, and international markets. Our brand names include Ralph Lauren, Ralph Lauren Collection, Ralph Lauren Purple Label, Polo Ralph Lauren, Double RL, Lauren Ralph Lauren, Polo Ralph Lauren Children, and Chaps, among others.

We diversify our business by geography (North America, Europe, and Asia, among other regions) and channel of distribution (retail, wholesale, and licensing). This allows us to maintain a dynamic balance as our operating results do not depend solely on the performance of any single geographic area or channel of distribution. We sell directly to consumers through our integrated retail channel, which includes our retail stores, concession-based shop-within-shops, and digital commerce operations around the world. Our wholesale sales are made principally to major department stores, specialty stores, and third-party digital partners around the world, as well as to certain third-party-owned stores to which we have licensed the right to operate in defined geographic territories using our trademarks. In addition, we license to third parties for specified periods the right to access our various trademarks in connection with the licensees' manufacture and sale of designated products, such as certain apparel, eyewear, fragrances, and home furnishings.

We organize our business into the following three reportable segments:

- *North America* — Our North America segment, representing approximately 48% of our Fiscal 2022 net revenues, primarily consists of sales of our Ralph Lauren branded products made through our retail and wholesale businesses in the U.S. and Canada. In North America, our retail business is primarily comprised of our Ralph Lauren stores, our factory stores, and our digital commerce site, [www.RalphLauren.com](http://www.RalphLauren.com). Our wholesale business in North America is comprised primarily of sales to department stores and, to a lesser extent, specialty stores.
- *Europe* — Our Europe segment, representing approximately 28% of our Fiscal 2022 net revenues, primarily consists of sales of our Ralph Lauren branded products made through our retail and wholesale businesses in Europe and emerging markets. In Europe, our retail business is primarily comprised of our Ralph Lauren stores, our factory stores, our concession-based shop-within-shops, and our various digital commerce sites. Our wholesale business in Europe is comprised primarily of a varying mix of sales to both department stores and specialty stores, depending on the country, as well as to various third-party digital partners.
- *Asia* — Our Asia segment, representing approximately 21% of our Fiscal 2022 net revenues, primarily consists of sales of our Ralph Lauren branded products made through our retail and wholesale businesses in Asia, Australia, and New Zealand. Our retail business in Asia is primarily comprised of our Ralph Lauren stores, our factory stores, our concession-based shop-within-shops, and our various digital commerce sites. In addition, we sell our products online through various third-party digital partner commerce sites. Our wholesale business in Asia is comprised primarily of sales to department stores, with related products distributed through shop-within-shops.

No operating segments were aggregated to form our reportable segments. In addition to these reportable segments, we also have other non-reportable segments, representing approximately 3% of our Fiscal 2022 net revenues, which primarily consist of Ralph Lauren and Chaps branded royalty revenues earned through our global licensing alliances. In addition, prior to its disposition at the end of our first quarter of Fiscal 2022, our other non-reportable segments also included sales of Club Monaco branded products made through our retail and wholesale businesses in the U.S., Canada, and Europe, and our licensing alliances in Asia. Refer to "*Recent Developments*" for additional discussion regarding the disposition of our former Club Monaco business, as well as the recent transition of our Chaps business to a fully licensed business model.

Approximately 51% of our Fiscal 2022 net revenues were earned outside of the U.S. See Note 20 to the accompanying consolidated financial statements for further discussion of our segment reporting structure.

Our business is typically affected by seasonal trends, with higher levels of retail sales in our second and third fiscal quarters and higher wholesale sales in our second and fourth fiscal quarters. These trends result primarily from the timing of key vacation travel, back-to-school, and holiday shopping periods impacting our retail business and timing of seasonal wholesale shipments. As a result of changes in our business, consumer spending patterns, and the macroeconomic environment, including those resulting from pandemic diseases and other catastrophic events, historical quarterly operating trends and working capital requirements may not be indicative of our future performance. In addition, fluctuations in sales, operating income (loss), and cash flows in any fiscal quarter may be affected by other events affecting retail sales, such as changes in weather patterns.

### ***Recent Developments***

#### ***COVID-19 Pandemic***

Beginning in the fourth quarter of our Fiscal 2020, a novel strain of coronavirus commonly referred to as COVID-19 emerged and spread rapidly across the globe, including throughout all major geographies in which we operate, resulting in adverse economic conditions and business disruptions, as well as significant volatility in global financial markets. Since then, governments worldwide have periodically imposed varying degrees of preventative and protective actions, such as temporary travel bans, forced business closures, and stay-at-home orders, all in an effort to reduce the spread of the virus. Such factors, among others, have resulted in a significant decline in retail traffic, tourism, and consumer spending on discretionary items. Additionally, companies across a wide array of industries have implemented various initiatives to reduce operating expenses and preserve cash balances during the pandemic, including work furloughs, reduced pay, and severance actions, which could lower consumers' disposable income levels or willingness to purchase discretionary items. Such government restrictions, company initiatives, and other macroeconomic impacts resulting from the pandemic could continue to adversely affect consumer behavior, spending levels, and/or shopping preferences, such as willingness to congregate in indoor shopping centers or other populated locations.

As a result of the COVID-19 pandemic, we have experienced varying degrees of business disruptions and periods of closure of our stores, distribution centers, and corporate facilities, as have our wholesale customers, licensing partners, suppliers, and vendors. During the first quarter of Fiscal 2021 at the peak of the pandemic, the majority of our stores in key markets were closed for an average of 8 to 10 weeks due to government-mandated lockdowns and other restrictions, resulting in significant adverse impacts to our operating results. Resurgences and outbreaks in certain parts of the world resulted in further business disruptions periodically throughout Fiscal 2021, most notably in Europe where a significant number of our stores were closed for approximately two to three months during the second half of Fiscal 2021, including during the holiday period, due to government-mandated lockdowns and other restrictions. Such disruptions continued throughout Fiscal 2022 in certain regions, although to a lesser extent than the comparable prior year fiscal period. Further, throughout the course of the pandemic, the majority of our stores that were able to remain open have periodically been subject to limited operating hours and/or customer capacity levels in accordance with local health guidelines, with traffic remaining challenged. However, our digital commerce operations have grown significantly from pre-pandemic levels, due in part to our investments and enhanced capabilities, as well as changes in consumer shopping preferences. Our wholesale and licensing businesses have experienced similar impacts, particularly in North America and Europe.

The COVID-19 pandemic also continues to adversely impact our distribution, logistic, and sourcing partners, including temporary factory closures, labor shortages, vessel, container and other transportation shortages, and port congestion. Such disruptions have reduced the availability of inventory, delayed timing of inventory receipts, and resulted in increased costs for the both the purchase and transportation of such inventory.

Throughout the course of the pandemic, our priority has been to ensure the safety and well-being of our employees, customers, and the communities in which we operate around the world. We continue to consider the guidance of local governments and global health organizations and have implemented new health and safety protocols in our stores, distribution centers, and corporate facilities. We also took various preemptive actions in the prior fiscal year to preserve cash and strengthen our liquidity position, as described in the Fiscal 2021 10-K. Such actions included, but were not limited to, issuing \$1.250 billion of unsecured senior notes, temporarily suspending our quarterly cash dividend and common stock repurchase programs, temporarily reducing the base compensation of our executives and senior management team, and temporarily furloughing or reducing work hours for a significant portion of our employees.

Despite the introduction of COVID-19 vaccines and improvements in the global economy as a whole during Fiscal 2022, the pandemic remains volatile and continues to evolve, including the emergence of variants of the virus, such as the Delta and Omicron variants, which has and could continue to adversely affect consumer sentiment and confidence. Accordingly, we cannot predict for how long and to what extent the pandemic will continue to impact our business operations or the overall global economy. We will continue to assess our operations location-by-location, considering the guidance of local governments and global health organizations. See Item 1A — *"Risk Factors — Risks Related to Macroeconomic Conditions — Infectious disease outbreaks, such as the COVID-19 pandemic, could have a material adverse effect on our business"* for additional discussion regarding risks to our business associated with the COVID-19 pandemic.

#### *Fiscal 2021 Strategic Realignment Plan*

We have undertaken efforts to realign our resources to support future growth and profitability, and to create a sustainable, enhanced cost structure. The key initiatives underlying these efforts involve evaluation of our: (i) team organizational structures and ways of working; (ii) real estate footprint and related costs across our corporate offices, distribution centers, and direct-to-consumer retail and wholesale doors; and (iii) brand portfolio.

In connection with the first initiative, on September 17, 2020, our Board of Directors approved a restructuring plan (the "Fiscal 2021 Strategic Realignment Plan") to reduce our global workforce. Additionally, during a preliminary review of our store portfolio during the second quarter of Fiscal 2021, we made the decision to close our Polo store on Regent Street in London.

Shortly thereafter, on October 29, 2020, we announced the planned transition of our Chaps brand to a fully licensed business model, consistent with our long-term brand elevation strategy and in connection with our third initiative. Specifically, we have entered into a multi-year licensing partnership, which took effect on August 1, 2021 following a transition period, with an affiliate of 5 Star Apparel LLC, a division of the OVED Group, to manufacture, market, and distribute Chaps menswear and womenswear. The products are being sold at existing channels of distribution with opportunities for expansion into additional channels and markets globally. This agreement created incremental value for the Company by enabling an even greater focus on elevating our core brands in the marketplace, reducing our direct exposure to the North America department store channel, and setting up Chaps to deliver on its potential with an experienced partner that is focused on nurturing the brand.

Later, on February 3, 2021, our Board of Directors approved additional actions related to our real estate initiative. Specifically, we are in the process of further rightsizing and consolidating our global corporate offices to better align with our organizational profile and new ways of working. We also have closed, and may continue to close, certain of our stores to improve overall profitability. Additionally, we further consolidated our North America distribution centers in order to drive greater efficiencies, improve sustainability, and deliver a better consumer experience.

Finally, on June 26, 2021, in connection with our brand portfolio initiative, we sold our former Club Monaco business to Regent, L.P. ("Regent"), a global private equity firm, with no resulting gain or loss on sale realized during the first quarter of Fiscal 2022. Regent acquired Club Monaco's assets and liabilities in exchange for potential future cash consideration payable to us, including earn-out payments based on Club Monaco meeting certain defined revenue thresholds over a five-year period. Accordingly, we may realize amounts in the future related to the receipt of such contingent consideration. Additionally, in connection with this divestiture, we are providing Regent with certain operational support for a transitional period of approximately 1 year, varying by functional area.

In connection with the Fiscal 2021 Strategic Realignment Plan, we have recorded cumulative pre-tax charges of \$262.1 million, of which \$25.3 million and \$236.8 million were recorded during Fiscal 2022 and Fiscal 2021, respectively. Actions associated with the Fiscal 2021 Strategic Realignment Plan were substantially completed by the end of Fiscal 2022, with certain remaining actions expected to be completed during Fiscal 2023. We now expect total charges of up to \$300 million to be incurred in connection with this plan, consisting of cash-related charges of approximately \$180 million and non-cash charges of approximately \$120 million. Actions associated with this plan are expected to result in gross annualized pre-tax expense savings of approximately \$200 million, a portion of which is being reinvested back into the business.

See Note 9 to our accompanying consolidated financial statements for additional discussion regarding charges recorded in connection with the Fiscal 2021 Strategic Restructuring Plan.

#### *Swiss Tax Reform*

In May 2019, a public referendum was held in Switzerland that approved the Federal Act on Tax Reform and AHV Financing (the "Swiss Tax Act"), which became effective January 1, 2020. The Swiss Tax Act eliminates certain preferential tax items at both the federal and cantonal levels for multinational companies and provides the cantons with parameters for establishing local tax rates and regulations. The Swiss Tax Act also provides transitional provisions, one of which allows eligible companies to increase the tax basis of certain assets based on the value generated by their business in previous years, and to amortize such adjustment as a tax deduction over a transitional period.

In connection with this transitional provision, we recorded a one-time income tax benefit and corresponding deferred tax asset of \$122.9 million during Fiscal 2020, which reduced our effective tax rate by 3,760 basis points. Subsequently, during Fiscal 2021, we reduced this one-time tax benefit by \$13.8 million due to new legislation enacted in connection with the European Union's anti-tax avoidance directive, which increased our effective rate by 1,840 basis points.

Additionally, during Fiscal 2022, we recorded a charge of \$6.4 million within restructuring and other charges, net in the consolidated statements of operations in connection with non-income-related capital taxes resulting from Swiss tax reform.

See Note 10 to the accompanying consolidated financial statements for additional discussion regarding the Swiss Tax Act.

#### *Fiscal 2019 Restructuring Plan*

On June 4, 2018, our Board of Directors approved a restructuring plan associated with our strategic objective of operating with discipline to drive sustainable growth (the "Fiscal 2019 Restructuring Plan"). The Fiscal 2019 Restructuring Plan included the following activities: (i) rightsizing and consolidation of our global distribution network and corporate offices; (ii) targeted severance-related actions; and (iii) closure of certain of our stores and shop-within-shops. Actions associated with the Fiscal 2019 Restructuring Plan resulted in gross annualized expense savings of approximately \$80 million.

In connection with the Fiscal 2019 Restructuring Plan, we have recorded cumulative charges of \$145.8 million since its inception, of which \$48.5 million was recorded during Fiscal 2020. Actions associated with the Fiscal 2019 Restructuring Plan are complete and no additional charges are expected to be incurred in connection with this plan.

See Note 9 to our accompanying consolidated financial statements for additional discussion regarding charges recorded in connection with the Fiscal 2019 Restructuring Plan.

## **Global Economic Conditions and Industry Trends**

The global economy and retail industry are impacted by many different factors. The COVID-19 pandemic has resulted in heightened uncertainty surrounding the future state of the global economy, as well as significant volatility in global financial markets. As discussed in "*Recent Developments*," governments worldwide have periodically imposed varying degrees of preventative and protective actions throughout the course of the pandemic, such as temporary travel bans, forced business closures, and stay-at-home orders, all in an effort to reduce the spread of the virus. Such actions, together with changes in consumers' willingness to congregate in populated areas and lower levels of disposal income due to higher unemployment rates, have resulted in significant business disruptions across a wide array of industries and an overall decline of the global economy since the outbreak of the pandemic. The COVID-19 pandemic has also significantly disrupted distribution, logistic, and supply chain operations globally, including temporary factory closures, labor shortages, vessel, container and other transportation shortages, and port congestion. Such disruptions have reduced the availability of inventory, delayed timing of inventory receipts, and resulted in increased costs for both the purchase and transportation of such inventory. Despite the introduction of COVID-19 vaccines and improvements in the global economy as a whole during Fiscal 2022, resurgences and outbreaks continue to occur in certain geographic locations, including those resulting from variants of the virus, such as the Delta and Omicron variants. Accordingly, it is not clear at this time how much longer and to what extent the pandemic will last.

The global economy has also been negatively impacted by the war between Russia and Ukraine. Several countries, including the U.S., have imposed significant economic sanctions against Russia, including export controls and other trade restrictions with Russian entities. Various companies have also voluntarily elected to suspend operations in Russia in protest of the conflict. The Russia-Ukraine war has adversely impacted consumer sentiment and confidence, particularly in Eastern Europe. It is not clear at this time how long the conflict will endure, or if it will escalate further with additional countries declaring war against each other, which could further compound the adverse impact to the global economy. Certain other worldwide events and factors, such as international trade relations, new legislation and regulations, taxation or monetary policy changes, political and civil unrest, and inflationary pressures, including increases in the cost of raw materials, transportation, wages, healthcare and other benefit-related costs, among other factors, also increase volatility in the global economy.

The retail landscape in which we operate has been significantly disrupted by the COVID-19 pandemic, including periods of temporary closures of stores and distribution centers and declines in retail traffic, tourism, and consumer spending on discretionary items. The retail industry, particularly in the U.S., has also experienced numerous bankruptcies, restructurings, and ownership changes in recent years. Despite improvements in the global economy during Fiscal 2022, supply chain-related risks continue to exist as manufacturers and transportation providers alike are finding it difficult to meet increased consumer demand. The continuation of these industry trends could have a material adverse effect on our business or operating results.

We have implemented various strategies globally to help address many of these current challenges and continue to build a foundation for long-term profitable growth centered around strengthening our consumer-facing areas of product, stores, and marketing across channels and driving a more efficient operating model. In response to the COVID-19 pandemic, during the prior fiscal year we took preemptive actions to preserve cash and strengthen our liquidity position, which better enabled us to continue to execute upon our long-term growth strategy despite unfavorable economic conditions. Investing in our digital ecosystem remains a primary focus and is a key component of our integrated global omni-channel strategy and driving consumer engagement, particularly in light of the current COVID-19 pandemic, which has and could continue to reshape consumer shopping preferences. We continue to scale and expand our Connected Retail capabilities to enhance the consumer experience, which now include virtual selling appointments, Buy Online-Pick Up in Store, and mobile checkout and contactless payments, among other capabilities. In addition, we recently launched our first-ever, full-catalog Ralph Lauren mobile shopping app. We also continue to drive consumer engagement and global brand awareness through our sports sponsorships, which include the Wimbledon, U.S. Open, and Australian Open tennis tournaments, Team U.S.A in the Olympic and Paralympic Games, and various golf organizations and tournament events, including the Professional Golfers' Association ("PGA") of America, the PGA Championship, the U.S. Golf Association, and the U.S. Ryder Cup Team, as well as through our special product releases and limited collections. Additionally, we have accelerated our marketing investments, with a focus on supporting new customer acquisition, digitally-amplified brand campaigns, and resumption of in-store programs as markets continue to reopen worldwide. We also continue to take deliberate actions to ensure promotional consistency across channels and to enhance the overall brand and shopping experience, including better aligning shipments and inventory levels with underlying demand. We also remain committed to optimizing our wholesale distribution channel and enhancing our department store consumer experience. In connection with our long-term brand elevation strategy, we completed the sale of our former Club Monaco business at the end of the first quarter of Fiscal 2022 and successfully transitioned our Chaps business to a fully licensed business model during the second quarter of Fiscal 2022 as planned, thereby enabling our teams to focus our resources on our core brands.

We will continue to monitor these conditions and trends and will evaluate and adjust our operating strategies and foreign currency and cost management opportunities to help mitigate the related impacts on our results of operations, while remaining focused on the long-term growth of our business and protecting and elevating the value of our brand.

For a detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations, see Part I, Item 1A — "Risk Factors" included in this Annual Report on Form 10-K.

### ***Summary of Financial Performance***

#### *Operating Results*

In Fiscal 2022, we reported net revenues of \$6.219 billion, net income of \$600.1 million, and net income per diluted share of \$8.07, as compared to net revenues of \$4.401 billion, a net loss of \$121.1 million, and net loss per diluted share of \$1.65 in Fiscal 2021. The comparability of our operating results has been affected by adverse impacts related to COVID-19 business disruptions and net restructuring-related charges, impairment of assets, and certain other benefits (charges), including one-time tax events, as well as the impacts of the disposition of our former Club Monaco business at the end of the first quarter of Fiscal 2022, the transition of our Chaps business to a fully licensed business model during the second quarter of Fiscal 2022, and the 53rd week in Fiscal 2022, as discussed further below.

Our operating performance for Fiscal 2022 reflected revenue increases of 41.3% on a reported basis and 41.9% on a constant currency basis, as defined within "*Transactions and Trends Affecting Comparability of Results of Operations and Financial Condition*" below. The increase in net revenues reflected growth across all regions largely driven by a reduction in store closures and other COVID-19-related disruptions experienced during the current fiscal year as compared to the prior fiscal year, coupled with continued growth in our digital commerce operations and overall stronger consumer demand, as well as the benefit of the incremental 53rd week. This growth was partially offset by the disposition of our former Club Monaco business at the end of the first quarter of Fiscal 2022 and the transition of our Chaps business to a fully licensed business model during the second quarter of Fiscal 2022.

Our gross profit as a percentage of net revenues increased by 170 basis points to 66.7% during Fiscal 2022, primarily driven by lower non-routine inventory charges recorded during Fiscal 2022 as compared to the prior fiscal year, as well as improved pricing, lower levels of promotional activity, and product mix, partially offset by higher product and freight costs and the absence of unusual geographic and channel mix benefits experienced during the prior fiscal year in connection with COVID-19-related business disruptions in North America and Europe.

Selling, general, and administrative ("SG&A") expenses as a percentage of net revenues during Fiscal 2022 decreased by 680 basis points to 53.2%, primarily driven by operating leverage on higher net revenues, partially offset by higher expenses across various categories to drive strategic growth, coupled with the return to more normalized operations in comparison to the prior fiscal year.

Net income increased by \$721.2 million to \$600.1 million in Fiscal 2022 as compared to Fiscal 2021, primarily due to an \$842.0 million increase in our operating income, partially offset by a \$108.2 million increase in our income tax provision. Net income per diluted share increased by \$9.72 to \$8.07 per share during Fiscal 2022 driven by the higher level of net income.

During Fiscal 2022 and Fiscal 2021, our operating results were negatively impacted by net restructuring-related charges, impairment of assets, and certain other charges (benefits) totaling \$32.6 million and \$254.4 million, respectively, which had an after-tax effect of reducing net income by \$23.2 million, or \$0.31 per diluted share, and \$201.5 million, or \$2.71 per diluted share, respectively. Partially offsetting these charges was the favorable impact of the 53rd week in Fiscal 2022, which increased net income by \$16.5 million, or approximately \$0.22 per diluted share. Our net loss during Fiscal 2021 also reflected \$46.6 million of incremental net tax expense recorded in connection with one-time income tax events.

#### *Financial Condition and Liquidity*

We ended Fiscal 2022 in a net cash and short-term investments position (cash and cash equivalents plus short-term investments, less total debt) of \$962.1 million, as compared to \$1.144 billion as of the end of Fiscal 2021. The decrease in our net cash and short-term investments position during Fiscal 2022 as compared to Fiscal 2021 was primarily due to our use of cash to support Class A common stock repurchases of \$492.6 million, including withholdings in satisfaction of tax obligations for stock-based compensation awards, to invest in our business through \$166.9 million in capital expenditures, and to make dividend payments of \$150.0 million, partially offset by operating cash flows of \$715.9 million.

Net cash provided by operating activities was \$715.9 million during Fiscal 2022, as compared to \$380.9 million during Fiscal 2021. The net increase in cash provided by operating activities was due to an increase in net income before non-cash charges, partially offset by a net unfavorable change related to our operating assets and liabilities, including our working capital, as compared to the prior fiscal year period.

Our equity decreased to \$2.536 billion as of April 2, 2022, compared to \$2.604 billion as of March 27, 2021, due to our share repurchase activity and dividends declared during Fiscal 2022, partially offset by our comprehensive income and the net impact of stock-based compensation arrangements.

#### ***Transactions and Trends Affecting Comparability of Results of Operations and Financial Condition***

The comparability of our operating results for the three fiscal years presented herein has been affected by certain events, including:

- pretax charges incurred in connection with our restructuring activities, as well as certain other asset impairments and other benefits (charges), including those related to COVID-19 business disruptions, as summarized below (references to "Notes" are to the notes to the accompanying consolidated financial statements):

	<b>Fiscal Years Ended</b>		
	<b>April 2, 2022</b>	<b>March 27, 2021</b>	<b>March 28, 2020</b>
	<b>(millions)</b>		
Restructuring and other charges, net (see Note 9)	\$ (22.2)	\$ (170.5)	\$ (67.2)
Impairment of assets (see Note 8) <sup>(a)</sup>	(21.3)	(96.0)	(38.7)
Non-routine bad debt reversals (expense), net <sup>(b)</sup>	(2.4)	41.4	(56.4)
Non-routine inventory benefits (charges) <sup>(c)</sup>	13.3	(29.3)	(159.5)
<b>Total charges</b>	<b>\$ (32.6)</b>	<b>\$ (254.4)</b>	<b>\$ (321.8)</b>

- (a) Fiscal 2020 includes a \$7.1 million impairment of an equity method investment recorded within other income (expense), net in the consolidated statements of operations. All other impairment charges were recorded within impairment of assets in the consolidated statements of operations.
- (b) Non-routine bad debt reversals (expense), net are recorded within SG&A expenses in the consolidated statements of operations. Fiscal 2022 includes non-routine bad debt expense of \$3.6 million recorded in connection with Russia-related accounts receivables, partially offset by COVID-19-related bad debt expense reversals of \$1.2 million. Non-routine bad debt reversals (expense) recorded during Fiscal 2021 and Fiscal 2020 related to COVID-19 business disruptions.
- (c) Non-routine inventory benefits (charges) are recorded within cost of goods sold in the consolidated statements of operations. Fiscal 2021 and Fiscal 2020 includes non-routine inventory charges of \$8.3 million and \$2.2 million, respectively, related to our restructuring plans (see Note 9). All other non-routine inventory benefits (charges) related to COVID-19 business disruptions.
- the inclusion of the 53rd week in Fiscal 2022, which resulted in incremental net revenues of \$62.7 million and net income of \$16.5 million, or approximately \$0.22 per diluted share;
- the disposition of our former Club Monaco business at the end of the first quarter of Fiscal 2022, which resulted in a decline in net revenues of approximately \$66 million during Fiscal 2022 as compared to the prior fiscal year;
- the transition of our Chaps business to a fully licensed business model during the second quarter of Fiscal 2022, which resulted in a decline in net revenues of approximately \$69 million during Fiscal 2022 as compared to the prior fiscal year;
- other adverse impacts related to COVID-19 business disruptions during Fiscal 2022, Fiscal 2021, and Fiscal 2020;
- adverse impacts related to Hong Kong protest business disruptions during Fiscal 2020;
- incremental net tax expense of \$46.6 million recorded within our income tax provision during Fiscal 2021 related to a valuation allowance provided against domestic losses attributable to COVID-19 business disruptions, international tax legislation enacted in connection with the European Union's anti-tax avoidance directive, and a

net operating loss carryback under the CARES Act, which collectively negatively impacted our effective tax rate by 6,230 basis points; and

- a one-time benefit of \$122.9 million recorded within our income tax provision during Fiscal 2020 in connection with the Swiss Tax Act, which reduced our effective tax rate by 3,760 basis points. During Fiscal 2021, we reduced this one-time tax benefit by \$13.8 million due to new legislation enacted, which increased our effective tax rate by 1,840 basis points. See Note 10 to the accompanying consolidated financial statements for further discussion.

Because we are a global company, the comparability of our operating results reported in U.S. Dollars is also affected by foreign currency exchange rate fluctuations because the underlying currencies in which we transact change in value over time compared to the U.S. Dollar. Such fluctuations can have a significant effect on our reported results. As such, in addition to financial measures prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP"), our discussions often contain references to constant currency measures, which are calculated by translating current-year and prior-year reported amounts into comparable amounts using a single foreign exchange rate for each currency. We present constant currency financial information, which is a non-U.S. GAAP financial measure, as a supplement to our reported operating results. We use constant currency information to provide a framework for assessing how our businesses performed excluding the effects of foreign currency exchange rate fluctuations. We believe this information is useful to investors for facilitating comparisons of operating results and better identifying trends in our businesses. The constant currency performance measures should be viewed in addition to, and not in lieu of or superior to, our operating performance measures calculated in accordance with U.S. GAAP. Reconciliations between this non-U.S. GAAP financial measure and the most directly comparable U.S. GAAP measure are included in the "Results of Operations" section where applicable.

Our discussion also includes reference to comparable store sales. Comparable store sales refer to the change in sales of our stores that have been open for at least 13 full fiscal months. Sales from our digital commerce sites are also included within comparable sales for those geographies that have been serviced by the related site for at least 13 full fiscal months. Sales for stores or digital commerce sites that are closed or shut down during the year are excluded from the calculation of comparable store sales. Sales for stores that are either relocated, enlarged (as defined by gross square footage expansion of 25% or greater), or generally closed for 30 or more consecutive days for renovation are also excluded from the calculation of comparable store sales until such stores have been operating in their new location or in their newly renovated state for at least 13 full fiscal months. All comparable store sales metrics are calculated on a 52-week and constant currency basis.

Our "Results of Operations" discussion that follows includes the significant changes in operating results arising from these items affecting comparability. However, unusual items or transactions may occur in any period. Accordingly, investors and other financial statement users should consider the types of events and transactions that have affected operating trends.

## RESULTS OF OPERATIONS

### Fiscal 2022 Compared to Fiscal 2021

The following table summarizes our results of operations and expresses the percentage relationship to net revenues of certain financial statement captions. All percentages shown in the below table and the discussion that follows have been calculated using unrounded numbers.

	Fiscal Years Ended			\$ Change	% / bps Change
	April 2, 2022	March 27, 2021			
	(millions, except per share data)				
<b>Net revenues</b>	\$ 6,218.5	\$ 4,400.8	\$ 1,817.7		41.3 %
Cost of goods sold	(2,071.0)	(1,539.4)	(531.6)		34.5 %
<b>Gross profit</b>	4,147.5	2,861.4	1,286.1		44.9 %
<i>Gross profit as % of net revenues</i>	66.7 %	65.0 %			170 bps
Selling, general, and administrative expenses	(3,305.6)	(2,638.5)	(667.1)		25.3 %
<i>SG&amp;A expenses as % of net revenues</i>	53.2 %	60.0 %			(680 bps)
Impairment of assets	(21.3)	(96.0)	74.7		(77.9 %)
Restructuring and other charges, net	(22.2)	(170.5)	148.3		(86.9 %)
<b>Operating income (loss)</b>	798.4	(43.6)	842.0		NM
<i>Operating income (loss) as % of net revenues</i>	12.8 %	(1.0 %)			1,380 bps
Interest expense	(54.0)	(48.5)	(5.5)		11.4 %
Interest income	5.5	9.7	(4.2)		(42.9 %)
Other income, net	4.7	7.6	(2.9)		(37.9 %)
<b>Income (loss) before income taxes</b>	754.6	(74.8)	829.4		NM
Income tax provision	(154.5)	(46.3)	(108.2)		233.6 %
<i>Effective tax rate<sup>(a)</sup></i>	20.5 %	(61.9 %)			8,240 bps
<b>Net income (loss)</b>	\$ 600.1	\$ (121.1)	\$ 721.2		NM
<b>Net income (loss) per common share:</b>					
<b>Basic</b>	\$ 8.22	\$ (1.65)	\$ 9.87		NM
<b>Diluted</b>	\$ 8.07	\$ (1.65)	\$ 9.72		NM

<sup>(a)</sup> Effective tax rate is calculated by dividing the income tax provision by income (loss) before income taxes.

NM Not meaningful.

**Net Revenues.** Net revenues increased by \$1.818 billion, or 41.3%, to \$6.219 billion in Fiscal 2022 as compared to Fiscal 2021, including net unfavorable foreign currency effects of \$24.5 million. This increase also reflected the favorable impact of the 53rd week in Fiscal 2022, which resulted in incremental net revenues of \$62.7 million. On a constant currency basis, net revenues increased by \$1.842 billion, or 41.9%. The increase in net revenues reflected growth across all regions largely driven by a reduction in store closures and other COVID-19-related disruptions experienced during the current fiscal year as compared to the prior fiscal year, coupled with continued growth in our digital commerce operations and overall stronger consumer demand, as well as the benefit of the incremental 53rd week as previously discussed. This growth was partially offset by the disposition of our former Club Monaco business at the end of the first quarter of Fiscal 2022 and the transition of our Chaps business to a fully licensed business model during the second quarter of Fiscal 2022.

The following table summarizes the percentage change in our Fiscal 2022 consolidated comparable store sales as compared to the prior fiscal year:

	% Change
Digital commerce	32 %
Brick and mortar	43 %
Total comparable store sales	40 %

Our global average store count decreased by 25 stores and concession shops during Fiscal 2022 compared with the prior fiscal year, largely driven by the sale of our former Club Monaco business on June 26, 2021, partially offset by new openings primarily in Asia. The following table details our retail store presence by segment as of the periods presented:

	April 2, 2022	March 27, 2021
<b>Freestanding Stores:</b>		
North America	239	233
Europe	95	92
Asia	170	151
Other non-reportable segments	—	72
Total freestanding stores	504	548
<b>Concession Shops:</b>		
North America	1	1
Europe	29	29
Asia	654	616
Other non-reportable segments	—	4
Total concession shops	684	650
Total stores	<u>1,188</u>	<u>1,198</u>

In addition to our stores, we sell products online in North America, Europe, and Asia through our various digital commerce sites, as well as through our mobile apps in North America and the United Kingdom. We also sell products online through various third-party digital partner commerce sites, primarily in Asia.

Net revenues for our segments, as well as a discussion of the changes in each reportable segment's net revenues from the prior fiscal year, are provided below:

	Fiscal Years Ended		\$ Change As Reported (millions)	Foreign Exchange Impact	\$ Change Constant Currency	% Change	
	April 2, 2022	March 27, 2021				As Reported	Constant Currency
<b>Net Revenues:</b>							
North America	\$ 2,968.2	\$ 1,992.4	\$ 975.8	\$ 4.4	\$ 971.4	49.0 %	48.8 %
Europe	1,780.7	1,165.9	614.8	(12.9)	627.7	52.7 %	53.8 %
Asia	1,286.8	1,027.5	259.3	(16.0)	275.3	25.2 %	26.8 %
Other non-reportable segments <sup>(a)</sup>	182.8	215.0	(32.2)	—	(32.2)	(15.0 %)	(15.0 %)
Total net revenues	<u>\$ 6,218.5</u>	<u>\$ 4,400.8</u>	<u>\$ 1,817.7</u>	<u>\$ (24.5)</u>	<u>\$ 1,842.2</u>	<u>41.3 %</u>	<u>41.9 %</u>

<sup>(a)</sup> Reflects the disposition of our former Club Monaco business at the end of the first quarter of Fiscal 2022.

*North America net revenues* — Net revenues increased by \$975.8 million, or 49.0%, during Fiscal 2022 as compared to Fiscal 2021, inclusive of the favorable impact of the 53rd week in Fiscal 2022, which resulted in incremental net revenues of approximately \$30 million, primarily related to our retail business. On a constant currency basis, net revenues increased by \$971.4 million, or 48.8%.

The \$975.8 million net increase in North America net revenues was driven by:

- a \$664.5 million net increase related to our North America retail business, reflecting a reduction in store closures and other COVID-19-related disruptions and the continued growth in our digital commerce operations, as well as the favorable impact of the 53rd week in Fiscal 2022. On a constant currency basis, net revenues increased by \$661.4 million, reflecting increases of \$576.8 million in comparable store sales and \$84.6 million in non-comparable store sales. The following table summarizes the percentage change in comparable store sales related to our North America retail business:

	% Change
Digital commerce	35 %
Brick and mortar	55 %
Total comparable store sales	49 %

- a \$311.3 million net increase related to our North America wholesale business largely driven by reduced shipments during the comparable prior fiscal year period due to significant COVID-19-related business disruptions, coupled with overall stronger consumer demand. This growth was partially offset by the transition of our Chaps business to a fully licensed business model during the second quarter of Fiscal 2022, as well as other strategic resets within our wholesale distribution channel.

*Europe net revenues* — Net revenues increased by \$614.8 million, or 52.7%, during Fiscal 2022 as compared to Fiscal 2021, inclusive of the favorable impact of the 53rd week in Fiscal 2022, which resulted in incremental net revenues of approximately \$12 million related to our retail business. On a constant currency basis, net revenues increased by \$627.7 million, or 53.8%.

The \$614.8 million net increase in Europe net revenues was driven by:

- a \$311.2 million net increase related to our Europe retail business, reflecting a reduction in store closures and other COVID-19-related disruptions and the continued growth in our digital commerce operations, as well as the favorable impact of the 53rd week in Fiscal 2022. On a constant currency basis, net revenues increased by \$311.8 million, reflecting increases of \$269.8 million in comparable store sales and \$42.0 million in non-comparable store sales. The following table summarizes the percentage change in comparable store sales related to our Europe retail business:

	% Change
Digital commerce	18 %
Brick and mortar	75 %
Total comparable store sales	57 %

- a \$303.6 million net increase related to our Europe wholesale business largely driven by reduced shipments during the comparable prior fiscal year period due to significant COVID-19-related business disruptions and overall stronger consumer demand, partially offset by net unfavorable foreign currency effects of \$12.3 million.

*Asia net revenues* — Net revenues increased by \$259.3 million, or 25.2%, during Fiscal 2022 as compared to Fiscal 2021, inclusive of the favorable impact of the 53rd week in Fiscal 2022, which resulted in incremental net revenues of approximately \$21 million related to our retail business. On a constant currency basis, net revenues increased by \$275.3 million, or 26.8%.

The \$259.3 million net increase in Asia net revenues was driven by:

- a \$239.0 million net increase related to our Asia retail business, reflecting a reduction in store closures and other COVID-19-related disruptions and the continued growth in our digital commerce operations, as well as the favorable impact of the 53rd week in Fiscal 2022, partially offset by net unfavorable foreign currency effects of \$14.7 million. On a constant currency basis, net revenues increased by \$253.7 million, reflecting increases of \$145.2 million in comparable store sales and \$108.5 million in non-comparable store sales. The following table summarizes the percentage change in comparable store sales related to our Asia retail business:

	% Change
Digital commerce	54 %
Brick and mortar	15 %
Total comparable store sales	17 %

- a \$20.3 million net increase related to our Asia wholesale business, reflecting increases most notably in Australia, South Korea, Southeast Asia, and Japan.

**Gross Profit.** Gross profit increased by \$1.286 billion, or 44.9%, to \$4.148 billion in Fiscal 2022, including net unfavorable foreign currency effects of \$18.9 million. Gross profit during Fiscal 2022 reflects non-routine inventory benefits of \$13.3 million related to reversals of amounts previously recorded in connection with COVID-19 business disruptions. In comparison, gross profit during Fiscal 2021 reflects non-routine inventory charges of \$21.0 million related to COVID-19 business disruptions and \$8.3 million recorded in connection with our restructuring plans. Gross profit as a percentage of net revenues increased to 66.7% in Fiscal 2022 from 65.0% in Fiscal 2021. The 170 basis point improvement was primarily driven by lower non-routine inventory charges recorded during Fiscal 2022 as compared to the prior fiscal year, as well as improved pricing, lower levels of promotional activity, and product mix, partially offset by higher product and freight costs and the absence of unusual geographic and channel mix benefits experienced during the prior fiscal year in connection with COVID-19-related business disruptions in North America and Europe.

Gross profit as a percentage of net revenues is dependent upon a variety of factors, including changes in the relative sales mix among distribution channels, changes in the mix of products sold, pricing, the timing and level of promotional activities, foreign currency exchange rates, and fluctuations in material costs. These factors, among others, may cause gross profit as a percentage of net revenues to fluctuate from year to year.

**Selling, General, and Administrative Expenses.** SG&A expenses include costs relating to compensation and benefits, advertising and marketing, rent and occupancy, distribution, information technology, legal, depreciation and amortization, bad debt, and other selling and administrative costs. SG&A expenses increased by \$667.1 million, or 25.3%, to \$3.306 billion in Fiscal 2022, including net favorable foreign currency effects of \$5.7 million. The increase in SG&A expenses reflects a reduction in the magnitude of COVID-19 business disruptions and our related mitigating actions, which during the prior fiscal year included (i) lower compensation-related expenses driven by employee furloughs and terminations, reduced pay for our executives, senior management team, and Board of Directors, and COVID-19-related government subsidies, and (ii) lower rent and occupancy costs largely driven by reduced percentage-of-sales-based rent due to widespread store closures and a reduction in traffic, as well as rent abatements negotiated with certain of our landlords. The increase in SG&A expenses also reflects our investments to drive strategic growth, including our marketing and advertising initiatives, and higher non-routine bad debt expense recorded during Fiscal 2022 as compared to the prior fiscal year, partially offset by expense savings associated with the disposition of our former Club Monaco business at the end of the first quarter of Fiscal 2022. SG&A expenses as a percentage of net revenues decreased to 53.2% in Fiscal 2022 from 60.0% in Fiscal 2021. The 680 basis point decline was primarily driven by operating leverage on higher net revenues, partially offset by higher expenses across various categories to drive strategic growth, coupled with the return to more normalized operations in comparison to the prior fiscal year.

The \$667.1 million increase in SG&A expenses was driven by:

	Fiscal 2022 Compared to Fiscal 2021	(millions)
<b>SG&amp;A expense category:</b>		
Compensation-related expenses	\$	227.2
Marketing and advertising expenses		191.3
Selling-related expenses		69.4
Rent and occupancy costs		64.4
Shipping and handling costs		31.7
Staff-related expenses		26.6
Bad debt expense		25.4
Other		31.1
<b>Total increase in SG&amp;A expenses</b>	<b>\$</b>	<b>667.1</b>

*Impairment of Assets.* During Fiscal 2022 and Fiscal 2021, we recorded non-cash impairment charges of \$21.3 million and \$96.0 million, respectively, to write-down certain long-lived assets. See Note 8 to the accompanying consolidated financial statements.

*Restructuring and Other Charges, Net.* During Fiscal 2022 and Fiscal 2021, we recorded restructuring charges of \$4.0 million and \$159.1 million, respectively, primarily consisting of severance and benefits costs and other cash charges, as well as other charges of \$11.8 million and \$11.4 million, respectively, primarily related to rent and occupancy costs associated with certain previously exited real estate locations for which the related lease agreements have not yet expired. Additionally, during Fiscal 2022, we recognized \$4.0 million of income primarily related to a certain revenue share clause in our agreement with Regent that entitled us to receive a portion of the sales generated by the Club Monaco business during a four-month business transition period. We donated this income to the Ralph Lauren Corporate Foundation, a non-profit, charitable foundation, which resulted in a related offsetting \$4.0 million donation expense recorded within restructuring and other charges, net in the consolidated statements of operations during Fiscal 2022. We also recorded a charge of \$6.4 million during Fiscal 2022 in connection with non-income-related capital taxes resulting from Swiss tax reform. See Note 9 to the accompanying consolidated financial statements.

*Operating Income (Loss).* During Fiscal 2022, we reported operating income of \$798.4 million, as compared to an operating loss of \$43.6 million during Fiscal 2021. The \$842.0 million increase in operating income reflects the return to more normalized operations in comparison to the prior fiscal year period, as previously discussed, as well as net unfavorable foreign currency effects of \$13.2 million. Our operating results during Fiscal 2022 and Fiscal 2021 were negatively impacted by net restructuring-related charges, impairment of assets, and certain other charges (benefits) totaling \$32.6 million and \$254.4 million, respectively. Operating income as a percentage of net revenues was 12.8% in Fiscal 2022, reflecting a 1,380 basis point improvement from Fiscal 2021. The improvement in operating income as a percentage of net revenues was primarily driven by lower net restructuring-related charges, impairment of assets, and certain other charges (benefits) recorded during Fiscal 2022 as compared to the prior fiscal year, the decrease in SG&A expenses as a percentage of net revenues, and the increase in our gross margin, all as previously discussed.

Operating income (loss) and margin for our segments, as well as a discussion of the changes in each reportable segment's operating margin from the prior fiscal year, are provided below:

Segment:	Fiscal Years Ended					
	April 2, 2022		March 27, 2021		\$ Change (millions)	Margin Change
	Operating Income (Loss) (millions)	Operating Margin	Operating Income (Loss) (millions)	Operating Margin		
North America	\$ 676.7	22.8%	\$ 334.0	16.8%	\$ 342.7	600 bps
Europe	444.0	24.9%	189.3	16.2%	254.7	870 bps
Asia	228.8	17.8%	148.2	14.4%	80.6	340 bps
Other non-reportable segments <sup>(a)</sup>	138.4	75.7%	32.4	15.1%	106.0	6,060 bps
	1,487.9		703.9		784.0	
Unallocated corporate expenses	(667.3)		(577.0)		(90.3)	
Unallocated restructuring and other charges, net	(22.2)		(170.5)		148.3	
Total operating income (loss)	<u>\$ 798.4</u>	<u>12.8%</u>	<u>\$ (43.6)</u>	<u>(1.0%)</u>	<u>\$ 842.0</u>	<u>1,380 bps</u>

<sup>(a)</sup> Reflects the disposition of our former Club Monaco business at the end of the first quarter of Fiscal 2022.

*North America operating margin* improved by 600 basis points, primarily due to the favorable impacts of approximately 330 basis points and 170 basis points related to our retail and wholesale businesses, respectively, both largely driven by a decline in SG&A expenses as a percentage of net revenues resulting from operating leverage on higher net revenues. The basis point improvement of our retail business also reflected an increase in our gross margin, while the improvement in our wholesale business reflected a decline in our gross margin. The overall improvement in operating margin also reflected the favorable impact of 100 basis points attributable to lower impairment of assets and non-routine inventory charges during Fiscal 2022 as compared to the prior fiscal year, partially offset by the absence of favorable non-routine bad debt expense adjustments recorded during the current fiscal year.

*Europe operating margin* improved by 870 basis points, primarily due to the favorable impacts of approximately 530 basis points and 320 basis points related to our retail and wholesale businesses, respectively, both largely driven by a decline in SG&A expenses as a percentage of net revenues resulting from operating leverage on higher net revenues. The overall improvement in operating margin also reflected the favorable impact of 90 basis points attributable to lower impairment of assets during Fiscal 2022 as compared to the prior fiscal year, partially offset by higher non-routine bad debt expense recorded during the current fiscal year. These improvements in operating margin were partially offset by unfavorable foreign currency effects and channel mix of approximately 40 basis points and 30 basis points, respectively.

*Asia operating margin* improved by 340 basis points, primarily due to the favorable impact of approximately 260 basis points related to our retail business, largely driven by an increase in our gross margin and a decline in SG&A expenses as a percentage of net revenues. The overall improvement in operating margin also reflected 40 basis points related to our wholesale business, largely driven by a decline in SG&A expenses as a percentage of net revenues. The remaining 40 basis point improvement was primarily driven by favorable foreign currency effects.

*Unallocated corporate expenses* increased by \$90.3 million to \$667.3 million in Fiscal 2022. The increase in unallocated corporate expenses was due to higher compensation-related expenses of \$88.4 million, higher marketing and advertising expenses of \$42.1 million, higher consulting fees of \$13.8 million and higher other expenses of \$11.7 million, partially offset by higher intercompany sourcing commission income of \$43.3 million (which is offset at the segment level and eliminates in consolidation) and lower impairment charges of \$22.4 million.

*Unallocated restructuring and other charges, net* decreased by \$148.3 million to \$22.2 million in Fiscal 2022, as previously discussed above and in Note 9 to the accompanying consolidated financial statements.

*Non-operating Income (Expense), Net.* Non-operating income (expense), net is comprised of interest expense, interest income, and other income (expense), net, which includes foreign currency gains (losses), equity in income (losses) from our equity-method investees, and other non-operating expenses. During Fiscal 2022, we reported non-operating expense, net, of \$43.8 million, as compared to \$31.2 million in Fiscal 2021. The \$12.6 million increase in non-operating expense, net was driven by:

- a \$5.5 million increase in interest expense, primarily driven by our finance leases, as well as the higher average level of outstanding debt during Fiscal 2022 (see "*Financial Condition and Liquidity — Cash Flows*");
- a \$4.2 million decline in interest income, primarily driven by lower interest rates in financial markets; and
- a \$2.9 million decline in other income (expense), net, primarily driven by lower net foreign currency gains during Fiscal 2022 as compared to the prior fiscal year period.

*Income Tax Provision.* The income tax provision represents federal, foreign, state and local income taxes. Our effective tax rate will change from period to period based on various factors including, but not limited to, the geographic mix of earnings, the timing and amount of foreign dividends, enacted tax legislation, state and local taxes, tax audit findings and settlements, and the interaction of various global tax strategies.

The income tax provision and effective tax rate in Fiscal 2022 were \$154.5 million and 20.5%, respectively, as compared to \$46.3 million and (61.9%), respectively, in Fiscal 2021. The \$108.2 million increase in our income tax provision was driven by the increase in our pretax income, as well as an increase in our effective tax rate of 8,240 basis points. Our income tax provision in Fiscal 2021 reflected incremental tax expense of \$33.7 million primarily related to a valuation allowance provided against domestic losses attributable to significant COVID-19 business disruptions and \$13.8 million related to international tax legislation enacted in connection with the European Union's anti-tax avoidance directive, partially offset by an income tax benefit of \$0.9 million primarily due to a net operating loss carryback under the CARES Act. Collectively, this \$46.6 million of net incremental tax expense impacted our prior fiscal year effective tax rate by 6,230 basis points. The remaining 2,010 basis point increase in our effective tax rate was primarily driven by the impact of stock compensation, favorable impact of the change in the geographic mix of our worldwide earnings, tax adjustments related to audit settlements, and certain deferred tax adjustments, partially offset by \$3.4 million related to a net operating loss carryback under the CARES Act. See Note 10 to the accompanying consolidated financial statements.

**Net Income (Loss).** We reported net income of \$600.1 million in Fiscal 2022, as compared to a net loss of \$121.1 million in Fiscal 2021. The \$721.2 million increase in net income was primarily due to the increase in our operating income, partially offset by the increase in our income tax provision, both as previously discussed. Our operating results during Fiscal 2022 and Fiscal 2021 were negatively impacted by net restructuring-related charges, impairment of assets, and certain other charges (benefits) totaling \$32.6 million and \$254.4 million, respectively, which had an after-tax effect of reducing net income by \$23.2 million and \$201.5 million, respectively. Partially offsetting these charges was the favorable impact of the 53rd week in Fiscal 2022, which increased net income by \$16.5 million. Our net loss during Fiscal 2021 also reflected \$46.6 million of incremental net tax expense recorded in connection with one-time tax events, as previously discussed.

**Net Income (Loss) per Diluted Share.** We reported net income per diluted share of \$8.07 in Fiscal 2022, as compared to a net loss per diluted share of \$1.65 in Fiscal 2021. The \$9.72 per share increase was driven by the higher level of net income, as previously discussed. Net income per diluted share in Fiscal 2022 and Fiscal 2021 were negatively impacted by \$0.31 per share and \$2.71 per share, respectively, related to net restructuring-related charges, impairment of assets, and certain other charges (benefits), and favorably impacted by approximately \$0.22 per share as a result of the 53rd week in Fiscal 2022, as previously discussed. Net loss per diluted share in Fiscal 2021 was also negatively impacted by \$0.64 per share due to incremental net tax expense recorded in connection with one-time tax events, as previously discussed.

#### Fiscal 2021 Compared to Fiscal 2020

The following table summarizes our results of operations and expresses the percentage relationship to net revenues of certain financial statement captions. All percentages shown in the below table and the discussion that follows have been calculated using unrounded numbers.

	Fiscal Years Ended				% / bps Change	
	March 27, 2021		March 28, 2020			
	(millions, except per share data)					
<b>Net revenues</b>	\$ 4,400.8	\$ 6,159.8	\$ (1,759.0)	(28.6 %)		
Cost of goods sold	(1,539.4)	(2,506.5)	967.1	(38.6 %)		
<b>Gross profit</b>	2,861.4	3,653.3	(791.9)	(21.7 %)		
<i>Gross profit as % of net revenues</i>	65.0 %	59.3 %		570 bps		
Selling, general, and administrative expenses	(2,638.5)	(3,237.5)	599.0	(18.5 %)		
<i>SG&amp;A expenses as % of net revenues</i>	60.0 %	52.6 %		740 bps		
Impairment of assets	(96.0)	(31.6)	(64.4)	203.5 %		
Restructuring and other charges, net	(170.5)	(67.2)	(103.3)	153.9 %		
<b>Operating income (loss)</b>	(43.6)	317.0	(360.6)	NM		
<i>Operating income (loss) as % of net revenues</i>	(1.0 %)	5.1 %		(610 bps)		
Interest expense	(48.5)	(17.6)	(30.9)	175.9 %		
Interest income	9.7	34.4	(24.7)	(71.8 %)		
Other income (expense), net	7.6	(7.4)	15.0	NM		
<b>Income (loss) before income taxes</b>	(74.8)	326.4	(401.2)	NM		
Income tax benefit (provision)	(46.3)	57.9	(104.2)	NM		
<i>Effective tax rate<sup>(a)</sup></i>	(61.9 %)	(17.7 %)		(4,420 bps)		
<b>Net income (loss)</b>	\$ (121.1)	\$ 384.3	\$ (505.4)	NM		
<b>Net income (loss) per common share:</b>						
<b>Basic</b>	\$ (1.65)	\$ 5.07	\$ (6.72)	NM		
<b>Diluted</b>	\$ (1.65)	\$ 4.98	\$ (6.63)	NM		

<sup>(a)</sup> Effective tax rate is calculated by dividing the income tax benefit (provision) by income (loss) before income taxes.

NM Not meaningful.

**Net Revenues.** Net revenues decreased by \$1.759 billion, or 28.6%, to \$4.401 billion in Fiscal 2021 as compared to Fiscal 2020, including net favorable foreign currency effects of \$80.7 million. On a constant currency basis, net revenues decreased by \$1.840 billion, or 29.9%.

The following table summarizes the percentage change in our Fiscal 2021 consolidated comparable store sales as compared to the prior fiscal year, inclusive of adverse impacts related to COVID-19 business disruptions:

	% Change
Digital commerce	20 %
Brick and mortar	(36 %)
Total comparable store sales	(29 %)

Our global average store count increased by 20 stores and concession shops during Fiscal 2021 compared with the prior fiscal year, largely driven by new openings in Asia. The following table details our retail store presence by segment as of the periods presented:

	March 27, 2021	March 28, 2020
<b>Freestanding Stores:</b>		
North America	233	230
Europe	92	94
Asia	151	132
Other non-reportable segments	72	74
Total freestanding stores	<u>548</u>	<u>530</u>
<b>Concession Shops:</b>		
North America	1	2
Europe	29	29
Asia	616	619
Other non-reportable segments	4	4
Total concession shops	<u>650</u>	<u>654</u>
Total stores	<u><u>1,198</u></u>	<u><u>1,184</u></u>

In addition to our stores, we sold products online in North America, Europe, and Asia through our various digital commerce sites, as well as through our Polo mobile app in North America and the United Kingdom. We also sold products online through various third-party digital partner commerce sites, primarily in Asia.

Net revenues for our segments, as well as a discussion of the changes in each reportable segment's net revenues from the prior fiscal year, are provided below:

	Fiscal Years Ended		\$ Change As Reported	Foreign Exchange Impact	\$ Change Constant Currency	% Change			
	March 27, 2021	March 28, 2020				As Reported	Constant Currency		
						(millions)			
<b>Net Revenues:</b>									
North America	\$ 1,992.4	\$ 3,140.5	\$ (1,148.1)	\$ —	\$ (1,148.1)	(36.6 %)	(36.6 %)		
Europe	1,165.9	1,632.2	(466.3)	52.1	(518.4)	(28.6 %)	(31.8 %)		
Asia	1,027.5	1,017.2	10.3	28.5	(18.2)	1.0 %	(1.8 %)		
Other non-reportable segments	215.0	369.9	(154.9)	0.1	(155.0)	(41.9 %)	(41.9 %)		
Total net revenues	<u>\$ 4,400.8</u>	<u>\$ 6,159.8</u>	<u>\$ (1,759.0)</u>	<u>\$ 80.7</u>	<u>\$ (1,839.7)</u>	<u>(28.6 %)</u>	<u>(29.9 %)</u>		

*North America net revenues* — Net revenues decreased by \$1.148 billion, or 36.6%, during Fiscal 2021 as compared to Fiscal 2020, on both a reported and constant currency basis.

The \$1.148 billion net decline in North America net revenues was driven by:

- a \$634.9 million net decrease related to our North America wholesale business, driven by COVID-19 business disruptions and continued challenging department store traffic trends; and
- a \$513.2 million net decrease related to our North America retail business, inclusive of the adverse impact of COVID-19 business disruptions. On a constant currency basis, net revenues decreased by \$513.1 million driven by decreases of \$498.4 million in comparable store sales and \$14.7 million in non-comparable store sales. The following table summarizes the percentage change in comparable store sales related to our North America retail business, inclusive of adverse impacts related to COVID-19 business disruptions:

	% Change
Digital commerce	11 %
Brick and mortar	(40 %)
Total comparable store sales	(30 %)

*Europe net revenues* — Net revenues decreased by \$466.3 million, or 28.6%, during Fiscal 2021 as compared to Fiscal 2020. On a constant currency basis, net revenues decreased by \$518.4 million, or 31.8%.

The \$466.3 million net decline in Europe net revenues was driven by:

- a \$357.5 million net decrease related to our Europe retail business, inclusive of the adverse impact of COVID-19 business disruptions, partially offset by net favorable foreign currency effects of \$15.1 million. On a constant currency basis, net revenues decreased by \$372.6 million driven by decreases of \$336.2 million in comparable store sales and \$36.4 million in non-comparable store sales. The following table summarizes the percentage change in comparable store sales related to our Europe retail business, inclusive of adverse impacts related to COVID-19 business disruptions:

	% Change
Digital commerce	56 %
Brick and mortar	(55 %)
Total comparable store sales	(43 %)

- a \$108.8 million net decrease related to our Europe wholesale business driven by COVID-19 business disruptions partially offset by net favorable foreign currency effects of \$37.0 million.

*Asia net revenues* — Net revenues increased by \$10.3 million, or 1.0%, during Fiscal 2021 as compared to Fiscal 2020. On a constant currency basis, net revenues decreased by \$18.2 million, or 1.8%.

The \$10.3 million net increase in Asia net revenues was driven by:

- a \$20.4 million net increase related to our Asia retail business, inclusive of the adverse impact of COVID-19 business disruptions, as well as net favorable foreign currency effects of \$26.9 million. On a constant currency basis, net revenues decreased by \$6.5 million, reflecting a decrease of \$43.1 million in comparable store sales, partially offset by an increase of \$36.6 million in non-comparable store sales. The following table summarizes the percentage change in comparable store sales related to our Asia retail business, inclusive of adverse impacts related to COVID-19 business disruptions:

	% Change
Digital commerce	54 %
Brick and mortar	(7 %)
Total comparable store sales	(6 %)

- This increase was partially offset by a \$10.1 million net decrease related to our Asia wholesale business driven by COVID-19 business disruptions, primarily in Japan.

**Gross Profit.** Gross profit decreased by \$791.9 million, or 21.7%, to \$2.861 billion in Fiscal 2021, including net favorable foreign currency effects of \$60.2 million. Gross profit during Fiscal 2021 and Fiscal 2020 reflects adverse impacts related to COVID-19 business disruptions, including incremental inventory charges of \$21.0 million and \$157.3 million, respectively. Gross profit during Fiscal 2021 and Fiscal 2020 also reflects inventory charges of \$8.3 million and \$2.2 million, respectively, recorded in connection with our restructuring plans. Gross profit as a percentage of net revenues increased to 65.0% in Fiscal 2021 from 59.3% in Fiscal 2020. The 570 basis point improvement was primarily driven by improved pricing and lower levels of promotional activity, lower non-routine inventory charges recorded during Fiscal 2021 as compared to the prior fiscal year, and favorable geographic and channel mix.

*Selling, General, and Administrative Expenses.* SG&A expenses decreased by \$599.0 million, or 18.5%, to \$2.639 billion in Fiscal 2021, including net unfavorable foreign currency effect of \$40.7 million. The decrease in SG&A expenses reflects impacts related to COVID-19 business disruptions and our related mitigating actions, including (i) lower compensation-related expenses largely driven by employee furloughs and terminations, reduced pay for our executives, senior management team, and Board of Directors, and COVID-19-related government subsidies, (ii) lower rent and occupancy costs largely driven by reduced percentage-of-sales-based rent due to store closures and a reduction in traffic, as well as rent abatements negotiated with certain of our landlords, (iii) favorable COVID-19-related bad debt expense adjustments, and (iv) our operational discipline. SG&A expenses as a percentage of net revenues increased to 60.0% in Fiscal 2021 from 52.6% in Fiscal 2020. The 740 basis point increase was primarily due to operating deleverage on lower net revenues, partially offset by expense savings across various categories.

The \$599.0 million decrease in SG&A expenses was driven by:

	Fiscal 2021 Compared to Fiscal 2020	(millions)
<b>SG&amp;A expense category:</b>		
Compensation-related expenses	\$	(263.9)
Bad debt expense		(86.3)
Rent and occupancy costs		(80.4)
Staff-related expenses		(59.4)
Selling-related expenses		(46.8)
Depreciation and amortization expense		(22.1)
Consulting fees		(16.8)
Marketing and advertising expenses		(13.0)
Shipping and handling costs		(7.6)
Other		(2.7)
Total decrease in SG&A expenses	\$	(599.0)

***Impairment of Assets.*** During Fiscal 2021 and Fiscal 2020, we recorded non-cash impairment charges of \$96.0 million and \$31.6 million, respectively, to write-down certain long-lived assets. See Note 8 to the accompanying consolidated financial statements.

**Restructuring and Other Charges, Net.** During Fiscal 2021 and Fiscal 2020, we recorded restructuring charges of \$159.1 million and \$37.6 million, respectively, primarily consisting of severance and benefits costs, as well as other charges of \$11.4 million and \$8.8 million, respectively, primarily related to rent and occupancy costs associated with certain previously exited real estate locations for which the related lease agreements had not yet expired. Additionally, during Fiscal 2020, we recorded other charges of \$20.8 million related to the charitable donation of the net cash proceeds received from the sale of our corporate jet. See Note 9 to the accompanying consolidated financial statements.

*Operating Income (Loss).* During Fiscal 2021, we reported an operating loss of \$43.6 million, as compared to operating income of \$317.0 million during Fiscal 2020. The \$360.6 million decline in operating income reflects net adverse impacts related to COVID-19 business disruptions, partially offset by net favorable foreign currency effects of \$19.5 million. Our operating results during Fiscal 2021 and Fiscal 2020 were also negatively impacted by restructuring-related charges, impairment of assets, and certain other charges (a portion of which related to COVID-19 business disruptions) totaling \$254.4 million and \$321.8 million, respectively, as previously discussed. Operating loss as a percentage of net revenues was 1.0% in

Fiscal 2021, reflecting a 610 basis point decline from Fiscal 2020. The decline in operating income as a percentage of net revenues was primarily driven by the increase in SG&A expenses as a percentage of net revenues, partially offset by the increase in our gross margin and lower net restructuring-related charges, impairment of assets, and certain other charges recorded during Fiscal 2021 as compared to the prior fiscal year, all as previously discussed.

Operating income (loss) and margin for our segments, as well as a discussion of the changes in each reportable segment's operating margin from the prior fiscal year, are provided below:

Segment:	Fiscal Years Ended					
	March 27, 2021		March 28, 2020		\$ Change (millions)	Margin Change
	Operating Income (Loss) (millions)	Operating Margin	Operating Income (Loss) (millions)	Operating Margin		
North America	\$ 334.0	16.8%	\$ 456.0	14.5%	\$ (122.0)	230 bps
Europe	189.3	16.2%	336.3	20.6%	(147.0)	(440 bps)
Asia	148.2	14.4%	124.8	12.3%	23.4	210 bps
Other non-reportable segments	32.4	15.1%	85.2	23.0%	(52.8)	(790 bps)
	703.9		1,002.3		(298.4)	
Unallocated corporate expenses	(577.0)		(618.1)		41.1	
Unallocated restructuring and other charges, net	(170.5)		(67.2)		(103.3)	
Total operating income (loss)	<u>\$ (43.6)</u>	<u>(1.0%)</u>	<u>\$ 317.0</u>	<u>5.1%</u>	<u>\$ (360.6)</u>	<u>(610 bps)</u>

*North America operating margin* improved by 230 basis points, primarily due to approximately 400 basis points attributable to net lower non-routine inventory charges and COVID-19-related bad debt expense recorded during Fiscal 2021 as compared to the prior fiscal year, partially offset by higher impairment of assets recorded during Fiscal 2021. Partially offsetting this net favorable improvement in operating margin were the unfavorable impacts of approximately 90 basis points and 60 basis points attributable to our wholesale and retail businesses, respectively, both largely driven by an increase in SG&A expenses as a percentage of net revenues, partially offset by an increase in our gross margin. Our North America operating margin also reflected the unfavorable impact of approximately 20 basis points attributable to other factors, including unfavorable channel mix.

*Europe operating margin* declined by 440 basis points, primarily due to the unfavorable impact of approximately 790 basis points related to our retail business largely driven by an increase in SG&A expenses as a percentage of net revenues, partially offset by an increase in our gross margin. This decline in operating income was partially offset by approximately 180 basis points attributable to favorable channel mix and 160 basis points attributable to net lower non-routine inventory charges and COVID-19-related bad debt expense recorded during Fiscal 2021 as compared to the prior fiscal year, partially offset by higher impairment of assets recorded during Fiscal 2021. The remaining change in operating margin was attributable to other factors, including slight improvement in our wholesale business.

*Asia operating margin* improved by 210 basis points, primarily due to approximately 190 basis points attributable to net lower non-routine inventory charges, COVID-19-related bad debt expense, and impairment of assets recorded during Fiscal 2021 as compared to the prior fiscal year, as well as favorable foreign currency effects of approximately 60 basis points. The increase in operating margin also reflected the favorable impact of approximately 20 basis points related to our retail business. These increases in operating margin were partially offset by the unfavorable impact of approximately 30 basis points related to our wholesale business largely driven by an increase in SG&A expenses as a percentage of net revenues. The remaining change in operating margin was attributable to other factors, including unfavorable channel mix.

*Unallocated corporate expenses* decreased by \$41.1 million to \$577.0 million in Fiscal 2021. The decline in unallocated corporate expenses was due to lower compensation-related expenses of \$87.3 million and lower rent and occupancy costs of \$24.3 million, partially offset by lower intercompany sourcing commission income of \$33.9 million (which is offset at the segment level and eliminates in consolidation), higher impairment of asset charges of \$33.2 million, and higher other expenses of \$3.4 million.

*Unallocated restructuring and other charges, net* increased by \$103.3 million to \$170.5 million in Fiscal 2021, as previously discussed above and in Note 9 to the accompanying consolidated financial statements.

*Non-operating Income (Expense), Net.* During Fiscal 2021, we reported non-operating expense, net, of \$31.2 million, as compared to non-operating income, net, of \$9.4 million in Fiscal 2020. The \$40.6 million decline in non-operating income was driven by:

- a \$30.9 million increase in interest expense, primarily driven by the net increase in our borrowings during Fiscal 2021 (see "*Financial Condition and Liquidity — Cash Flows*"); and
- a \$24.7 million decline in interest income, primarily driven by the decrease in our investment portfolio and lower interest rates in financial markets.

These unfavorable variances were partially offset by a \$15.0 million favorable change in other income (expense), net, primarily driven by the absence of a \$7.1 million impairment of an equity method investment recorded during Fiscal 2020, as well as higher net foreign currency gains during Fiscal 2021 as compared to the prior fiscal year.

*Income Tax Benefit (Provision).* We reported an income tax provision and effective tax rate of \$46.3 million and (61.9%), respectively, in Fiscal 2021, as compared to an income tax benefit and effective tax rate of \$57.9 million and (17.7%), respectively, in Fiscal 2020. The \$104.2 million increase in our income tax provision was driven by the absence of a one-time benefit of \$122.9 million recorded in connection with Swiss tax reform during the prior fiscal year, which reduced our prior fiscal year effective tax rate by 3,760 basis points. Our income tax provision in Fiscal 2021 also reflected incremental tax expense of \$33.7 million primarily related to a valuation allowance provided against domestic losses attributable to significant COVID-19 business disruptions and \$13.8 million related to international tax legislation enacted in connection with the European Union's anti-tax avoidance directive, partially offset by an income tax benefit of \$0.9 million primarily due to a net operating loss carryback under the CARES Act. Collectively, this \$46.6 million of net incremental tax expense unfavorably impacted our Fiscal 2021 effective tax rate by 6,230 basis points. The remaining 1,950 basis point decline was attributable to tax impacts on stock-based compensation, as well as the absence of favorable settlements of certain international income tax audits that impacted the prior fiscal year. See Note 10 to the accompanying consolidated financial statements for discussion regarding the Swiss Tax Act.

*Net Income (Loss).* We reported a net loss of \$121.1 million in Fiscal 2021, as compared to net income of \$384.3 million in Fiscal 2020. The \$505.4 million decline in net income was primarily due to the decline in our operating income, the increase in our income tax provision, and higher non-operating expense, net, all as previously discussed. Our operating results during Fiscal 2021 and Fiscal 2020 included net restructuring-related charges, impairment of assets, and certain other charges totaling \$254.4 million and \$321.8 million, respectively, which had an after-tax effect of reducing net income by \$201.5 million and \$244.8 million, respectively. Net income (loss) during Fiscal 2021 and Fiscal 2020 also reflected \$46.6 million of incremental net tax expense and an income tax benefit of \$122.9 million, respectively, recorded in connection with one-time income tax events, as previously discussed.

*Net Income (Loss) per Diluted Share.* We reported a net loss per diluted share of \$1.65 in Fiscal 2021, as compared to net income per diluted share of \$4.98 in Fiscal 2020. The \$6.63 per share decline was due to the lower level of net income, as previously discussed. Net income (loss) per diluted share in Fiscal 2021 and Fiscal 2020 were negatively impacted by \$2.71 per share and \$3.17 per share, respectively, as a result of net restructuring-related charges, impairment of assets, and certain other charges, as previously discussed. Net income (loss) per diluted share in Fiscal 2021 and Fiscal 2020 were also negatively impacted by \$0.64 per share due to incremental net tax expense and favorably impacted by \$1.59 per share due to an income tax benefit, respectively, recorded in connection with one-time tax events, as previously discussed.

## FINANCIAL CONDITION AND LIQUIDITY

### Financial Condition

The following table presents our financial condition as of April 2, 2022 and March 27, 2021.

	April 2, 2022	March 27, 2021	\$ Change
	(millions)		
Cash and cash equivalents	\$ 1,863.8	\$ 2,579.0	\$ (715.2)
Short-term investments	734.6	197.5	537.1
Current portion of long-term debt <sup>(a)</sup>	(499.8)	—	(499.8)
Long-term debt <sup>(a)</sup>	(1,136.5)	(1,632.9)	496.4
Net cash and short-term investments	<u>\$ 962.1</u>	<u>\$ 1,143.6</u>	<u>\$ (181.5)</u>
Equity	<u>\$ 2,536.0</u>	<u>\$ 2,604.4</u>	<u>\$ (68.4)</u>

<sup>(a)</sup> See Note 11 to the accompanying consolidated financial statements for discussion of the carrying values of our debt.

The decrease in our net cash and short-term investments position at April 2, 2022 as compared to March 27, 2021 was primarily due to our use of cash to support Class A common stock repurchases of \$492.6 million, including withholdings in satisfaction of tax obligations for stock-based compensation awards, to invest in our business through \$166.9 million in capital expenditures, and to make dividend payments of \$150.0 million partially offset by operating cash flows of \$715.9 million.

The decrease in our equity was attributable to our share repurchase activity and dividends declared during Fiscal 2022, partially offset by our comprehensive income and the net impact of stock-based compensation arrangements.

### Cash Flows

#### Fiscal 2022 Compared to Fiscal 2021

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	\$ Change
	(millions)		
Net cash provided by operating activities	\$ 715.9	\$ 380.9	\$ 335.0
Net cash provided by (used in) investing activities	(717.9)	195.0	(912.9)
Net cash provided by (used in) financing activities	(665.7)	356.8	(1,022.5)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(48.3)	25.5	(73.8)
Net increase (decrease) in cash, cash equivalents, and restricted cash	<u>\$ (716.0)</u>	<u>\$ 958.2</u>	<u>\$ (1,674.2)</u>

**Net Cash Provided by Operating Activities.** Net cash provided by operating activities was \$715.9 million during Fiscal 2022, as compared to \$380.9 million during Fiscal 2021. The \$335.0 million net increase in cash provided by operating activities was due to an increase in net income before non-cash charges, partially offset by a net unfavorable change related to our operating assets and liabilities, including our working capital, as compared to the prior fiscal year.

The net unfavorable change related to our operating assets and liabilities, including our working capital, was primarily driven by:

- a year-over-year increase in our inventory levels largely to support revenue growth, as well as higher goods-in-transit to mitigate ongoing global supply chain delays;
- a net unfavorable change in our accrued liabilities largely driven by an unfavorable change in our restructuring reserve due to a decrease in restructuring charges recorded during Fiscal 2022 as compared to the prior fiscal year, partially offset by a favorable change in our dividends payable related to the temporary suspension and subsequent resumption of our quarterly cash dividend program; and

- an unfavorable change related to our prepaid expenses and other current assets largely driven by an increase in non-trade receivables primarily related to transition services being performed in connection with the disposition of our former Club Monaco business (see "*Recent Developments*"), as well as the timing of cash payments; and
- an unfavorable change related to our income tax receivables and payables largely driven by the timing of cash receipts and payments, respectively.

These decreases related to our operating assets and liabilities were partially offset by:

- a favorable change related to our accounts receivable, largely driven by a return to more normalized operations in comparison to the prior fiscal year period.

*Net Cash Provided by (Used in) Investing Activities.* Net cash used in investing activities was \$717.9 million during Fiscal 2022, as compared to cash provided by investing activities of \$195.0 million during Fiscal 2021. The \$912.9 million net decrease in cash provided by investing activities was primarily driven by:

- an \$848.6 million decrease in proceeds from sales and maturities of investments, less purchases of investments. During Fiscal 2022, we made net purchases of investments of \$546.0 million, as compared to receiving net proceeds from sales and maturities of investments of \$302.6 million during Fiscal 2021; and
- a \$59.1 million increase in capital expenditures. During Fiscal 2022, we spent \$166.9 million on capital expenditures, as compared to \$107.8 million during Fiscal 2021. Our capital expenditures during Fiscal 2022 primarily related to store openings and renovations, as well as enhancements to our information technology systems.

In Fiscal 2023, we expect to spend approximately \$290 million to \$310 million on capital expenditures primarily related to store opening and renovations, as well as enhancements to our information technology systems.

*Net Cash Provided by (Used in) Financing Activities.* Net cash used in financing activities was \$665.7 million during Fiscal 2022, as compared to net cash provided by financing activities of \$356.8 million during Fiscal 2021. The \$1.022 billion net decrease in cash provided by financing activities was primarily driven by:

- a \$466.9 million decrease in cash proceeds from the issuance of debt, less debt repayments. During Fiscal 2022, we did not issue or repay any debt. On a comparative basis, during Fiscal 2021, we received \$1.242 billion in proceeds from the issuance of our 1.700% unsecured senior notes and 2.950% unsecured senior notes, a portion of which was used to repay \$475.0 million of borrowings previously outstanding under our credit facilities and our previously outstanding \$300.0 million principal amount of 2.625% unsecured senior notes that matured August 18, 2020;
- a \$454.9 million increase in cash used to repurchase shares of our Class A common stock. During Fiscal 2022, we resumed activities under our common stock repurchase program and repurchased \$450.5 million of shares of our Class A common stock, and an additional \$42.1 million in shares of our Class A common stock were surrendered or withheld in satisfaction of withholding taxes in connection with the vesting of awards under our long-term stock incentive plans. On a comparative basis, during Fiscal 2021, \$37.7 million in shares of our Class A common stock were surrendered or withheld for taxes; and
- a \$100.2 million increase in payments of dividends, driven by the reinstatement of our quarterly cash dividend program during Fiscal 2022 after being temporarily suspended at the beginning of the COVID-19 pandemic as a preemptive action to preserve cash and strengthen our liquidity position, as discussed in "*Dividends*" below.

*Fiscal 2021 Compared to Fiscal 2020*

	Fiscal Years Ended		
	March 27, 2021	March 28, 2020	\$ Change
	(millions)		
Net cash provided by operating activities	\$ 380.9	\$ 754.6	\$ (373.7)
Net cash provided by investing activities	195.0	702.1	(507.1)
Net cash provided by (used in) financing activities	356.8	(438.2)	795.0
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	25.5	(15.2)	40.7
Net increase in cash, cash equivalents, and restricted cash	<u>\$ 958.2</u>	<u>\$ 1,003.3</u>	<u>\$ (45.1)</u>

*Net Cash Provided by Operating Activities.* Net cash provided by operating activities decreased to \$380.9 million during Fiscal 2021, from \$754.6 million during Fiscal 2020. The \$373.7 million net decline in cash provided by operating activities was due to a decrease in net income before non-cash charges, partially offset by a net favorable change related to our operating assets and liabilities, including our working capital, as compared to the prior fiscal year.

The net favorable change related to our operating assets and liabilities, including our working capital, was primarily driven by:

- a favorable change in our accrued liabilities, primarily driven by the increase in our restructuring reserve related to charges recorded in connection with the Fiscal 2021 Strategic Realignment Plan; and
- a favorable change in our accounts payable, driven by our extended payment terms.

These increases related to our operating assets and liabilities were partially offset by:

- an unfavorable change related to our accounts receivable, largely driven by an increase in wholesale revenue during the fourth quarter of Fiscal 2021 as compared to the fourth quarter of Fiscal 2020;
- an unfavorable change in inventory, largely driven by lower COVID-19-related inventory charges recorded in Fiscal 2021 as compared to the prior year period; and
- an unfavorable change in our prepaid expenses and other current assets, primarily driven by the timing of cash payments.

*Net Cash Provided by Investing Activities.* Net cash provided by investing activities was \$195.0 million during Fiscal 2021, as compared to \$702.1 million during Fiscal 2020. The \$507.1 million net decrease in cash provided by investing activities was primarily driven by:

- a \$648.1 million decrease in proceeds from sales and maturities of investments, less purchases of investments. During Fiscal 2021, we received net proceeds from sales and maturities of investments of \$302.6 million, as compared to \$950.7 million during Fiscal 2020.

This decrease in cash provided by investing activities was partially offset by:

- a \$162.5 million decrease in capital expenditures. During Fiscal 2021, we spent \$107.8 million on capital expenditures, as compared to \$270.3 million during Fiscal 2020. This decline reflects the temporary postponement of non-critical capital expenditures as a preemptive action to preserve cash and strengthen our liquidity position in response to business disruptions related to the COVID-19 pandemic. Our capital expenditures during Fiscal 2021 primarily related to international store openings and renovations, as well as enhancements to our information technology systems.

*Net Cash Provided by (Used in) Financing Activities.* Net cash provided by financing activities was \$356.8 million during Fiscal 2021, as compared to net cash used in financing activities of \$438.2 million during Fiscal 2020. The \$795.0 million net increase in cash provided by financing activities was primarily driven by:

- a \$657.1 million decrease in cash used to repurchase shares of our Class A common stock. During Fiscal 2021, \$37.7 million in shares of Class A common stock were surrendered or withheld in satisfaction of withholding taxes in connection with the vesting of awards under our long-term stock incentive plans and no shares of Class A common stock were repurchased pursuant to our common stock repurchase program, which was temporarily suspended as a preemptive action to preserve cash and strengthen our liquidity position in response to business disruptions related to the COVID-19 pandemic. On a comparative basis, during Fiscal 2020, \$650.3 million in shares of Class A common stock were repurchased and \$44.5 million in shares of Class A common stock were surrendered or withheld for taxes; and
- a \$154.1 million decrease in payments of dividends, driven by the temporary suspension of our quarterly cash dividend program as a preemptive action to preserve cash and strengthen our liquidity position, as discussed in "*Dividends*" below.

These increases in cash provided by financing activities were partially offset by:

- an \$8.1 million decrease in cash proceeds from the issuance of debt, less debt repayments. During Fiscal 2021, we received \$1.242 billion in proceeds from our issuance of 1.700% unsecured senior notes and 2.950% unsecured senior notes, a portion of which was used to repay \$475 million of borrowings previously outstanding under our credit facilities and our previously outstanding \$300 million principal amount of 2.625% unsecured senior notes that matured in August 2020. On a comparative basis, during Fiscal 2020 we borrowed \$475 million under our credit facilities as a preemptive action to preserve cash and strengthen our liquidity in response to the COVID-19 pandemic.

#### **Sources of Liquidity**

Our primary sources of liquidity are the cash flows generated from our operations, our available cash and cash equivalents and short-term investments, availability under our credit and overdraft facilities and commercial paper program, and other available financing options.

During Fiscal 2022, we generated \$715.9 million of net cash flows from our operations. As of April 2, 2022, we had \$2.598 billion in cash, cash equivalents, and short-term investments, of which \$995.5 million were held by our subsidiaries domiciled outside the U.S. We are not dependent on foreign cash to fund our domestic operations. Undistributed foreign earnings generated on or before December 31, 2017 that were subject to the one-time mandatory transition tax in connection with U.S. tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "TCJA") are not considered to be permanently reinvested and may be repatriated to the U.S. in the future with minimal or no additional U.S. taxation. We intend to permanently reinvest undistributed foreign earnings generated after December 31, 2017 that were not subject to the one-time mandatory transition tax. However, if our plans change and we choose to repatriate post-2017 earnings to the U.S. in the future, we would be subject to applicable U.S. and foreign taxes.

The following table presents the total availability, borrowings outstanding, and remaining availability under our credit and overdraft facilities and Commercial Paper Program as of April 2, 2022:

<u>Description</u> <sup>(a)</sup>	April 2, 2022			
	Total Availability	Borrowings Outstanding	Remaining Availability	
	(millions)			
Global Credit Facility and Commercial Paper Program <sup>(b)</sup>	\$ 500	\$ 10 <sup>(c)</sup>	\$ 490	
Pan-Asia Credit Facilities <sup>(d)</sup>	33	—	—	33
Japan Overdraft Facility	41	—	—	41

<sup>(a)</sup> As defined in Note 11 to the accompanying consolidated financial statements.

<sup>(b)</sup> Borrowings under the Commercial Paper Program are supported by the Global Credit Facility. Accordingly, we do not expect combined borrowings outstanding under the Commercial Paper Program and the Global Credit Facility to exceed \$500 million.

<sup>(c)</sup> Represents outstanding letters of credit for which we were contingently liable under the Global Credit Facility as of April 2, 2022.

- (d) We amended the China Credit Facility during the first quarter of Fiscal 2023, whereby the borrowing capacity was increased to 100 million Chinese Renminbi (approximately \$16 million). Accordingly, our total availability under the Pan-Asia Credit Facilities was increased to approximately \$41 million during the first quarter of Fiscal 2023. See Note 11 to the accompanying consolidated financial statements.

We believe that the Global Credit Facility is adequately diversified with no undue concentration in any one financial institution. In particular, as of April 2, 2022, there were eight financial institutions participating in the Global Credit Facility, with no one participant maintaining a maximum commitment percentage in excess of 20%. In accordance with the terms of the agreement, we have the ability to expand our borrowing availability under the Global Credit Facility to \$1 billion through the full term of the facility, subject to the agreement of one or more new or existing lenders under the facility to increase their commitments.

Borrowings under the Pan-Asia Credit Facilities and Japan Overdraft Facility (collectively, the "Pan-Asia Borrowing Facilities") are guaranteed by the parent company and are granted at the sole discretion of the participating banks (as described within Note 11 to the accompanying consolidated financial statements), subject to availability of the respective banks' funds and satisfaction of certain regulatory requirements. We have no reason to believe that the participating institutions will be unable to fulfill their obligations to provide financing in accordance with the terms of the Global Credit Facility and the Pan-Asia Borrowing Facilities in the event of our election to draw additional funds in the foreseeable future.

Our sources of liquidity are used to fund our ongoing cash requirements, including working capital requirements, global retail store and digital commerce expansion, construction and renovation of shop-within-shops, investment in infrastructure, including technology, acquisitions, joint ventures, payment of dividends, debt repayments, Class A common stock repurchases, settlement of contingent liabilities (including uncertain tax positions), and other corporate activities, including our restructuring actions. We believe that our existing sources of cash, the availability under our credit facilities, and our ability to access capital markets will be sufficient to support our operating, capital, and debt service requirements for the foreseeable future, the ongoing development of our businesses, and our plans for further business expansion. However, prolonged periods of adverse economic conditions or business disruptions in any of our key regions, or a combination thereof, such as those resulting from pandemic diseases and other catastrophic events, could impede our ability to pay our obligations as they become due or return value to our shareholders, as well as delay previously planned expenditures related to our operations.

See Note 11 to the accompanying consolidated financial statements for additional information relating to our credit facilities.

#### ***Debt and Covenant Compliance***

In August 2018, we completed a registered public debt offering and issued \$400 million aggregate principal amount of unsecured senior notes due September 15, 2025, which bear interest at a fixed rate of 3.750%, payable semi-annually (the "3.750% Senior Notes"). In June 2020, we completed another registered public debt offering and issued an additional \$500 million aggregate principal amount of unsecured senior notes due June 15, 2022, which bear interest at a fixed rate of 1.700%, payable semi-annually (the "1.700% Senior Notes"), and \$750 million aggregate principal amount of unsecured senior notes due June 15, 2030, which bear interest at a fixed rate of 2.950%, payable semi-annually (the "2.950% Senior Notes").

The indenture and supplemental indentures governing the 3.750% Senior Notes, 1.700% Senior Notes, and 2.950% Senior Notes (as supplemented, the "Indenture") contain certain covenants that restrict our ability, subject to specified exceptions, to incur certain liens; enter into sale and leaseback transactions; consolidate or merge with another party; or sell, lease, or convey all or substantially all of our property or assets to another party. However, the Indenture does not contain any financial covenants.

We have a credit facility that provides for a \$500 million senior unsecured revolving line of credit through August 12, 2024, which is also used to support the issuance of letters of credit and the maintenance of the Commercial Paper Program (the "Global Credit Facility"). Borrowings under the Global Credit Facility may be denominated in U.S. Dollars and other currencies, including Euros, Hong Kong Dollars, and Japanese Yen. We have the ability to expand the borrowing availability under the Global Credit Facility to \$1 billion, subject to the agreement of one or more new or existing lenders under the facility to increase their commitments. There are no mandatory reductions in borrowing ability throughout the term of the Global Credit Facility.

The Global Credit Facility contains a number of covenants, as described in Note 11 to the accompanying consolidated financial statements. As of April 2, 2022, no Event of Default (as such term is defined pursuant to the Global Credit Facility) has occurred under our Global Credit Facility. The Pan-Asia Borrowing Facilities do not contain any financial covenants.

See Note 11 to the accompanying consolidated financial statements for additional information relating to our debt and covenant compliance.

#### ***Common Stock Repurchase Program***

Repurchases of shares of our Class A common stock are subject to overall business and market conditions, as well as other potential factors such as the temporary restrictions previously in place under our Global Credit Facility. Accordingly, in response to business disruptions related to the COVID-19 pandemic, effective beginning in the first quarter of Fiscal 2021, we temporarily suspended our common stock repurchase program as a preemptive action to preserve cash and strengthen our liquidity position. However, we resumed activities under our Class A common stock repurchase program during the third quarter of Fiscal 2022 as restrictions under our Global Credit Facility were lifted (see Note 11 to the accompanying consolidated financial statements) and overall business and market conditions have improved since the COVID-19 pandemic first emerged.

On February 2, 2022, our Board of Directors approved an expansion of our existing common stock repurchase program that allowed us to repurchase up to an additional \$1.500 billion of our Class A common stock. As of April 2, 2022, the remaining availability under our Class A common stock repurchase program was approximately \$1.629 billion.

See Note 16 to the accompanying consolidated financial statements for additional information relating to our Class A common stock repurchase program.

#### ***Dividends***

Except as discussed below, we have maintained a regular quarterly cash dividend program on our common stock since 2003.

In response to business disruptions related to the COVID-19 pandemic, effective beginning in the first quarter of Fiscal 2021 we temporarily suspended our quarterly cash dividend program as a preemptive action to preserve cash and strengthen our liquidity position. On May 19, 2021, our Board of Directors approved the reinstatement of our quarterly cash dividend program at the pre-pandemic amount of \$0.6875 per share.

On May 18, 2022, our Board of Directors approved an increase to the quarterly cash dividend on our common stock from \$0.6875 to \$0.75 per share. The first quarterly dividend declared to reflect this increase will be payable to shareholders of record at the close of business on July 1, 2022 and will be paid on July 15, 2022.

We intend to continue to pay regular dividends on outstanding shares of our common stock. However, any decision to declare and pay dividends in the future will ultimately be made at the discretion of our Board of Directors and will depend on our results of operations, cash requirements, financial condition, and other factors that the Board of Directors may deem relevant, including economic and market conditions.

See Note 16 to the accompanying consolidated financial statements for additional information relating to our quarterly cash dividend program.

## **Material Cash Requirements**

### *Firm Commitments*

The following table summarizes certain of our aggregate material cash requirements as of April 2, 2022, and the estimated timing and effect that such obligations are expected to have on our liquidity and cash flows in future periods. We expect to fund these firm commitments with operating cash flows generated in the normal course of business and, if necessary, through availability under our credit facilities or other accessible sources of financing.

	<b>Fiscal 2023</b>	<b>Fiscal 2024-2025</b>	<b>Fiscal 2026-2027</b>	<b>Fiscal 2028 and Thereafter</b>	<b>Total</b>
	(millions)				
Senior Notes	\$ 500.0	\$ —	\$ 400.0	\$ 750.0	\$ 1,650.0
Interest payments on debt	41.4	74.3	51.8	77.4	244.9
Operating leases	286.1	507.3	304.3	396.5	1,494.2
Finance leases	32.5	69.1	69.7	276.1	447.4
Other lease commitments	1.7	8.4	8.8	5.0	23.9
Inventory purchase commitments	915.9	0.1	—	—	916.0
Mandatory transition tax payments	13.9	57.7	41.2	—	112.8
Other commitments	59.0	43.8	20.1	22.0	144.9
<b>Total</b>	<b>\$ 1,850.5</b>	<b>\$ 760.7</b>	<b>\$ 895.9</b>	<b>\$ 1,527.0</b>	<b>\$ 5,034.1</b>

The following is a description of our material, firmly committed obligations as of April 2, 2022:

- *Senior Notes* represent the principal amount of our outstanding 3.750% Senior Notes, 1.700% Senior Notes, and 2.950% Senior Notes. Amounts do not include any call premiums, unamortized debt issuance costs, or interest payments (see below);
- *Interest payments on debt* represent the semi-annual contractual interest payments due on our 3.750% Senior Notes, 1.700% Senior Notes, and 2.950% Senior Notes. Amounts do not include the impact of potential cash flows underlying our related swap contracts (see Note 13 to the accompanying consolidated financial statements for discussion of our swap contracts);
- *Lease obligations* represent fixed payments due over the lease term of our noncancelable leases of real estate and operating equipment, including rent, real estate taxes, insurance, common area maintenance fees, and/or certain other costs. For lease terms that have commenced, information has been presented separately for operating and finance leases. Other lease commitments relate to executed lease agreements for which the related lease terms have not yet commenced as of April 2, 2022;
- *Inventory purchase commitments* represent our legally-binding agreements to purchase fixed or minimum quantities of goods at determinable prices;
- *Mandatory transition tax payments* represent our remaining tax obligation incurred in connection with the deemed repatriation of previously deferred foreign earnings pursuant to the TCJA (see Note 10 to the accompanying consolidated financial statements for discussion of the TCJA); and
- *Other commitments* primarily represent our legally-binding obligations under sponsorship, licensing, and other marketing and advertising agreements; information technology-related service agreements; and pension-related obligations.

Excluded from the above contractual obligations table is the non-current liability for unrecognized tax benefits of \$91.9 million as of April 2, 2022, as we cannot make a reliable estimate of the period in which the liability will be settled, if ever. The above table also excludes the following: (i) amounts recorded in current liabilities in our consolidated balance sheet as of April 2, 2022, which will be paid within one year, other than lease obligations, mandatory transition tax payments, and accrued interest payments on debt; and (ii) non-current liabilities that have no cash outflows associated with them (e.g., deferred income), or the cash outflows associated with them are uncertain or do not represent a "purchase obligation" as such term is used herein (e.g., deferred taxes, derivative financial instruments, and other miscellaneous items).

We also have certain contractual arrangements that would require us to make payments if certain events or circumstances occur. See Note 15 to the accompanying consolidated financial statements for a description of our contingent commitments not included in the above table.

#### *Off-Balance Sheet Arrangements*

In addition to the commitments included in the above table, our other off-balance sheet firm commitments relating to our outstanding letters of credit amounted to \$9.5 million as of April 2, 2022. We do not maintain any other off-balance sheet arrangements, transactions, obligations, or other relationships with unconsolidated entities that would be expected to have a material current or future effect on our consolidated financial statements.

### **MARKET RISK MANAGEMENT**

As discussed in Note 13 to the accompanying consolidated financial statements, we are exposed to a variety of levels and types of risks, including the impact of changes in currency exchange rates on foreign currency-denominated balances, certain anticipated cash flows of our international operations, and the value of reported net assets of our foreign operations, as well as changes in the fair value of our fixed-rate debt obligations relating to fluctuations in benchmark interest rates. Accordingly, in the normal course of business we assess such risks and, in accordance with our established policies and procedures, may use derivative financial instruments to manage and mitigate them. We do not use derivatives for speculative or trading purposes.

Given our use of derivative instruments, we are exposed to the risk that the counterparties to such contracts will fail to meet their contractual obligations. To mitigate such counterparty credit risk, it is our policy to only enter into contracts with carefully selected financial institutions based upon an evaluation of their credit ratings and certain other factors, adhering to established limits for credit exposure. Our established policies and procedures for mitigating credit risk include ongoing review and assessment of the creditworthiness of our counterparties. We also enter into master netting arrangements with counterparties, when possible, to further mitigate credit risk. As a result of the above considerations, we do not believe that we are exposed to undue concentration of counterparty risk with respect to our derivative contracts as of April 2, 2022. However, we do have in aggregate \$32.6 million of derivative instruments in net asset positions held across six creditworthy financial institutions.

#### *Foreign Currency Risk Management*

We manage our exposure to changes in foreign currency exchange rates using forward foreign currency exchange and cross-currency swap contracts. Refer to Note 13 to the accompanying consolidated financial statements for a summary of the notional amounts and fair values of our outstanding forward foreign currency exchange and cross-currency swap contracts, as well as the impact on earnings and other comprehensive income of such instruments for the fiscal periods presented.

#### *Forward Foreign Currency Exchange Contracts*

We enter into forward foreign currency exchange contracts to mitigate risk related to exchange rate fluctuations on inventory transactions made in an entity's non-functional currency, the settlement of foreign currency-denominated balances, and the translation of certain foreign operations' net assets into U.S. Dollars. As part of our overall strategy for managing the level of exposure to such exchange rate risk, relating primarily to the Euro, the Japanese Yen, the South Korean Won, the Australian Dollar, the Canadian Dollar, the British Pound Sterling, the Swiss Franc, and the Chinese Renminbi, we generally hedge a portion of our related exposures anticipated over the next twelve months using forward foreign currency exchange contracts with maturities of two months to one year to provide continuing coverage over the period of the respective exposure.

Our foreign exchange risk management activities are governed by established policies and procedures. These policies and procedures provide a framework that allows for the management of currency exposures while ensuring the activities are conducted within our established guidelines. Our policies include guidelines for the organizational structure of our risk management function and for internal controls over foreign exchange risk management activities, including, but not limited to, authorization levels, transaction limits, and credit quality controls, as well as various measurements for monitoring compliance. We monitor foreign exchange risk using different techniques, including periodic review of market values and performance of sensitivity analyses.

### *Cross-Currency Swap Contracts*

We periodically designate pay-fixed rate, receive-fixed rate cross-currency swap contracts as hedges of our net investment in certain European subsidiaries.

Our pay-fixed rate, receive-fixed rate cross-currency swap contracts swap U.S. Dollar-denominated fixed interest rate payments based on the contract's notional amount and the fixed rate of interest payable on certain of our senior notes for Euro-denominated fixed interest rate payments, thereby economically converting a portion of our fixed-rate U.S. Dollar-denominated senior note obligations to fixed rate Euro-denominated obligations.

See Note 3 to the accompanying consolidated financial statements for further discussion of our foreign currency exposures and the types of derivative instruments used to hedge those exposures.

#### *Sensitivity*

We perform a sensitivity analysis to determine the effects that market risk exposures may have on the fair values of our forward foreign currency exchange and cross-currency swap contracts. In doing so, we assess the risk of loss in the fair values of these contracts that would result from hypothetical changes in foreign currency exchange rates. This analysis assumes a like movement by the foreign currencies in our hedge portfolio against the U.S. Dollar. As of April 2, 2022, a 10% appreciation or depreciation of the U.S. Dollar against the foreign currencies under contract would result in a net increase or decrease, respectively, in the fair value of our derivative portfolio of approximately \$113 million. This hypothetical net change in fair value should ultimately be largely offset by the net change in the related underlying hedged items.

### ***Interest Rate Risk Management***

#### *Sensitivity*

As of April 2, 2022, we had no variable-rate debt outstanding. As such, our exposure to changes in interest rates primarily relates to changes in the fair values of our fixed-rate Senior Notes. As of April 2, 2022, the aggregate fair values of our Senior Notes were \$1.629 billion. A 25-basis point increase or decrease in interest rates would decrease or increase, respectively, the aggregate fair values of our Senior Notes by approximately \$16.5 million based on certain simplifying assumptions, including an immediate across-the-board increase or decrease in the level of interest rates with no other subsequent changes for the remainder of the period. Such potential increases or decreases in the fair value of our debt would only be realized if we were to retire all or a portion of the debt prior to its maturity.

### ***Investment Risk Management***

As of April 2, 2022, we had cash and cash equivalents on-hand of \$1.864 billion, consisting of deposits in interest bearing accounts, investments in money market deposit accounts, and investments in time deposits with original maturities of 90 days or less. Our other significant investments included \$734.6 million of short-term investments, consisting of investments in time deposits with original maturities greater than 90 days.

We actively monitor our exposure to changes in the fair value of our global investment portfolio in accordance with our established policies and procedures, which include monitoring both general and issuer-specific economic conditions, as discussed in Note 3 to the accompanying consolidated financial statements. Our investment objectives include capital preservation, maintaining adequate liquidity, diversification to minimize liquidity and credit risk, and achievement of maximum returns within the guidelines set forth in our investment policy. See Note 13 to the accompanying consolidated financial statements for further detail of the composition of our investment portfolio as of April 2, 2022.

## **CRITICAL ACCOUNTING POLICIES**

An accounting policy is considered to be critical if it is important to our results of operations, financial condition, and cash flows, and requires significant judgment and estimates on the part of management in its application. Our estimates are often based on complex judgments, assessments of probability, and assumptions that management believes to be reasonable, but that are inherently uncertain and unpredictable. It is also possible that other professionals, applying reasonable judgment to the same set of facts and circumstances, could develop and support a range of alternative estimated amounts. We believe that the following list represents our critical accounting policies. For a discussion of all of our significant accounting policies, including our critical accounting policies, see Note 3 to the accompanying consolidated financial statements.

### **Sales Reserves and Uncollectible Accounts**

A significant area of judgment affecting reported revenue involves estimating sales reserves, which represent the portion of gross revenues not expected to be realized. In particular, gross revenue related to our wholesale business is reduced by estimates of returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances. Gross revenue related to our retail business, including digital commerce sales, is also reduced by an estimate of returns.

In developing estimates of returns, discounts, end-of-season markdowns, operational chargebacks, and cooperative advertising allowances, we analyze historical trends, actual and forecasted seasonal results, current economic and market conditions, retailer performance, and, in certain cases, contractual terms. Estimates for operational chargebacks are based on actual customer notifications of order fulfillment discrepancies and historical trends. We review and refine these estimates on a quarterly basis. Our historical estimates of these amounts have not differed materially from actual results. However, unforeseen adverse future economic and market conditions, such as those resulting from widespread pandemic diseases and/or other catastrophic events, could result in our actual results differing materially from our estimates. A hypothetical 1% increase in our reserves for returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances as of April 2, 2022 would have reduced our Fiscal 2022 net revenues by approximately \$2 million.

Similarly, we evaluate our accounts receivable balances to develop expectations regarding the extent to which they will ultimately be collected. Significant judgment and estimation are involved in this evaluation, including a receivables aging analysis which shows, by aged category, the percentage of receivables that has historically gone uncollected, an analysis of specific risks on a customer-by-customer basis for larger accounts (including consideration of their financial condition and ability to withstand potential prolonged periods of adverse economic conditions), and an evaluation of current and forecasted economic and market conditions over the respective asset's contractual life. Based on this information, we record an allowance for estimated amounts that we ultimately expect not to collect due to credit. Although we believe that we have adequately provided for these risks as part of our allowance for doubtful accounts, a severe and prolonged adverse impact on our major customers' business and operations beyond those forecasted could have a corresponding material adverse effect on our net revenues, cash flows, and/or financial condition. A hypothetical 1% increase in the level of our allowance for doubtful accounts as of April 2, 2022 would have increased our Fiscal 2022 SG&A expenses by less than \$1 million.

See "Accounts Receivable" in Note 3 to the accompanying consolidated financial statements for an analysis of the activity in our sales reserves and allowance for doubtful accounts for each of the three fiscal years presented.

### **Inventories**

We hold retail inventory that is sold in our own stores and digital commerce sites directly to consumers. We also hold inventory that is sold through wholesale distribution channels to major department stores and specialty retail stores. Substantially all of our inventories are comprised of finished goods, which are stated at the lower of cost or estimated realizable value, with cost determined on a weighted-average cost basis.

The estimated net realizable value of inventory is determined based on an analysis of historical sales trends of our individual product lines, the impact of market trends and economic conditions (including those resulting from pandemic diseases and other catastrophic events), and a forecast of future demand, giving consideration to the value of current orders in-house for future sales of inventory, as well as plans to sell inventory through our factory stores, among other liquidation channels. Actual results may differ from estimates due to the quantity, quality, and mix of products in inventory, consumer and retailer preferences, and economic and market conditions. Reserves for inventory shrinkage, representing the risk of physical loss of inventory, are estimated based on historical experience and are adjusted based upon physical inventory counts. Our historical estimates of these costs and the related provisions have not differed materially from actual results. However, unforeseen adverse future economic and market conditions could result in our actual results differing materially from our estimates.

A hypothetical 1% increase in the level of our inventory reserves as of April 2, 2022 would have decreased our Fiscal 2022 gross profit by approximately \$2 million.

### ***Impairment of Goodwill and Other Intangible Assets***

Goodwill and certain other intangible assets deemed to have indefinite useful lives are not amortized. Rather, goodwill and indefinite-lived intangible assets are assessed for impairment at least annually. Finite-lived intangible assets are amortized over their respective estimated useful lives and, along with other long-lived assets, are evaluated for impairment periodically whenever events or changes in circumstances indicate that their carrying values may not be fully recoverable.

We generally perform our annual goodwill impairment assessment using a qualitative approach to determine whether it is more likely than not that the fair value of a reporting unit is less than its respective carrying value. However, in order to reassess the fair values of our reporting units, we periodically perform a quantitative impairment analysis in lieu of using the qualitative approach.

Performance of the qualitative goodwill impairment assessment requires judgment in identifying and considering the significance of relevant key factors, events, and circumstances that affect the fair values of our reporting units. This requires consideration and assessment of external factors such as macroeconomic, industry, and market conditions, as well as entity-specific factors, such as our actual and planned financial performance. We also give consideration to the difference between each reporting unit's fair value and carrying value as of the most recent date that a fair value measurement was performed. If the results of the qualitative assessment conclude that it is not more likely than not that the fair value of a reporting unit exceeds its carrying value, additional quantitative impairment testing is performed.

The quantitative goodwill impairment test involves comparing the fair value of a reporting unit with its carrying value, including goodwill. If the fair value of a reporting unit exceeds its carrying value, the reporting unit's goodwill is considered not to be impaired. However, if the carrying value of a reporting unit exceeds its fair value, an impairment loss is recorded in an amount equal to that excess. Any impairment charge recognized is limited to the amount of the respective reporting unit's allocated goodwill.

Determining the fair value of a reporting unit under the quantitative goodwill impairment test requires judgment and often involves the use of significant estimates and assumptions, including an assessment of external factors such as macroeconomic, industry, and market conditions, as well as entity-specific factors, such as actual and planned financial performance. Similarly, estimates and assumptions are used when determining the fair values of other indefinite-lived intangible assets. These estimates and assumptions could have a significant impact on whether or not an impairment charge is recognized and the magnitude of any such charge. To assist management in the process of determining any potential goodwill impairment, we may review and consider appraisals from accredited independent valuation firms. Estimates of fair value are primarily determined using discounted cash flows, market comparisons, and recent transactions. These approaches involve significant estimates and assumptions, including projected future cash flows (including timing), discount rates reflecting the risks inherent in those future cash flows, perpetual growth rates, and selection of appropriate market comparable metrics and transactions.

We performed our annual goodwill impairment assessment as of the beginning of the second quarter of Fiscal 2022 using the qualitative approach discussed above. In performing the assessment, we considered the results of our most recent quantitative goodwill impairment test, which was performed as of the end of Fiscal 2020 and incorporated assumptions related to COVID-19 business disruptions, the results of which indicated that the fair values of our reporting units significantly exceeded their respective carrying values. Based on the results of the qualitative impairment assessment performed, we concluded that it is more likely than not that the fair values of our reporting units significantly exceeded their respective carrying values and there were no reporting units at risk of impairment. No goodwill impairment charges were recorded during any of the fiscal years presented. See Note 12 to the accompanying consolidated financial statements for further discussion.

In evaluating finite-lived intangible assets for recoverability, we use our best estimate of future cash flows expected to result from the use of the asset and its eventual disposition where probable. If such estimated future undiscounted net cash flows attributable to the asset are less than its carrying value, an impairment loss is recognized to the extent that such asset's carrying value exceeds its fair value, as estimated considering external market participant assumptions.

It is possible that our conclusions regarding impairment or recoverability of goodwill or other intangible assets could change in future periods if, for example, (i) our businesses do not perform as projected, (ii) overall economic conditions in future years vary from current assumptions, (iii) business conditions or strategies change from our current assumptions, or (iv) the identification of our reporting units change, among other factors. Such changes could result in a future impairment charge of goodwill or other intangible assets, which could have a material adverse effect on our consolidated financial position or results of operations.

### ***Impairment of Other Long-Lived Assets***

Property and equipment and lease-related right-of-use ("ROU") assets, along with other long-lived assets, are evaluated for impairment periodically whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable. In evaluating long-lived assets for recoverability, we use our best estimate of future cash flows expected to result from the use of the asset (including any potential sublease income for lease-related ROU assets) and its eventual disposition, where applicable. If such estimated future undiscounted net cash flows attributable to the asset are less than its carrying value, an impairment loss is recognized to the extent that such asset's carrying value exceeds its fair value, as estimated considering external market participant assumptions and discounted cash flows, including those based on estimated market rents for lease-related ROU assets. Assets to be disposed of and for which there is a committed plan of disposal (commonly referred to as assets held-for-sale) are reported at the lower of carrying value or fair value, less costs to sell.

In determining future cash flows, we take various factors into account, including changes in merchandising strategy, the emphasis on retail store cost controls, the effects of macroeconomic trends such as consumer spending, and the impacts of more experienced retail store managers and increased local advertising. Since the determination of future cash flows is an estimate of future performance, future impairments may arise in the event that future cash flows do not meet expectations. For example, unforeseen adverse future economic and market conditions could negatively impact consumer behavior, spending levels, and/or shopping preferences and result in actual results differing from our estimates. Additionally, we may review and consider appraisals from accredited independent valuation firms to determine the fair value of long-lived assets, where applicable.

During Fiscal 2022, Fiscal 2021, and Fiscal 2020, we recorded non-cash impairment charges of \$21.3 million, \$96.0 million, and \$38.7 million, respectively, to write-down the carrying values of certain long-lived assets based upon their assumed fair values. See Note 8 to the accompanying consolidated financial statements for further discussion.

### ***Income Taxes***

In determining our income tax provision for financial reporting purposes, we establish a reserve for uncertain tax positions. If we believe that a tax position is more likely than not of being sustained upon audit, based solely on the technical merits of the position, we recognize the tax benefit. We measure the tax benefit by determining the largest amount that is greater than 50% likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. These assessments can be complex and require significant judgment, and we often obtain assistance from external advisors. To the extent that our estimates change or the final tax outcome of these matters is different from the amounts recorded, such differences will impact the income tax provision in the period in which such determinations are made. If the initial assessment of a position fails to result in the recognition of a tax benefit, we will recognize the tax benefit if (i) there are changes in tax law or analogous case law that sufficiently raise the likelihood of prevailing on the technical merits of the position to more likely than not; (ii) the statute of limitations expires; or (iii) there is a completion of an audit resulting in a settlement of that tax year with the appropriate agency.

Deferred income taxes reflect the tax effect of certain net operating losses, capital losses, general business credit carryforwards, and the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, as determined under enacted tax laws and rates. Valuation allowances are established when management determines that it is more likely than not that some portion or all of a deferred tax asset will not be realized. Tax valuation allowances are analyzed periodically by assessing the adequacy of future expected taxable income, which typically involves the use of significant estimates. Such allowances are adjusted as events occur, or circumstances change, that warrant adjustments to those balances.

See Note 10 to the accompanying consolidated financial statements for further discussion of income taxes.

### ***Contingencies***

We are periodically exposed to various contingencies in the ordinary course of conducting our business, including potential losses relating to certain litigation, alleged information system security breaches, contractual disputes, employee relation matters, various tax or other governmental audits, and trademark and intellectual property matters and disputes. We record a liability for such contingencies to the extent that we conclude that it is probable that a loss has been incurred and the amount of such loss is reasonably estimable. In addition, if it is considered reasonably possible that an unfavorable settlement of a contingency could exceed any established liability, we disclose the estimated impact on our liquidity, financial condition, and results of operations, if practicable. Management considers many factors in making these assessments. As the ultimate resolution of contingencies is inherently unpredictable, these assessments can involve a series of complex judgments about future events including, but not limited to, court rulings, negotiations between affected parties, and governmental actions. As a

result, the accounting for loss contingencies relies heavily on management's judgment in developing the related estimates and assumptions.

#### ***Stock-Based Compensation***

We expense all stock-based compensation awarded to employees and non-employee directors based on the grant date fair value of the awards over the requisite service period, adjusted for forfeitures which are estimated based on an analysis of historical experience and expected future trends.

##### *Restricted Stock Units ("RSUs")*

We grant service-based RSUs to certain of our senior executives and other employees, as well as to our non-employee directors. In addition, we grant RSUs with performance-based and market-based vesting conditions to such senior executives and other key employees.

The fair values of our service-based RSU and performance-based RSU awards are measured based on the fair value of our Class A common stock on the date of grant, adjusted to reflect the absence of dividends for any awards for which dividend equivalent amounts do not accrue while outstanding and unvested. Related compensation expense for performance-based RSUs is recognized over the employees' requisite service period, to the extent that our attainment of performance goals (upon which vesting is dependent) is deemed probable, and involves judgment as to expectations surrounding our achievement of certain defined operating performance metrics.

The fair value of our market-based RSU awards, for which vesting is dependent upon total shareholder return ("TSR") of our Class A common stock over a three-year performance period relative to that of a pre-established peer group, is measured on the grant date based on estimated projections of our relative TSR over the performance period. These estimates are made using a Monte Carlo simulation, which models multiple stock price paths of our Class A common stock and that of the peer group to evaluate and determine our ultimate expected relative TSR performance ranking. Related compensation expense, net of estimated forfeitures, is recorded regardless of whether, and the extent to which, the market condition is ultimately satisfied. See Note 18 to the accompanying consolidated financial statements for further discussion.

##### *Stock Options*

Stock options have been granted to employees and non-employee directors with exercise prices equal to the fair market value of our Class A common stock on the date of grant. We use the Black-Scholes option-pricing model to estimate the grant date fair value of stock options, which requires the use of both subjective and objective assumptions. Certain key assumptions involve estimating future uncertain events. The key factors influencing the estimation process include the expected term of the option, expected volatility of our stock price, our expected dividend yield, and the risk-free interest rate, among others. Generally, once stock option values are determined, accounting practices do not permit them to be changed, even if the estimates used are different from actual results.

No stock options were granted during any of the fiscal years presented. See Note 18 to the accompanying consolidated financial statements for further discussion.

##### *Sensitivity*

The assumptions used in calculating the grant date fair values of our stock-based compensation awards represent our best estimates. In addition, projecting the achievement level of certain performance-based awards, as well as estimating the number of awards expected to be forfeited, requires judgment. If actual results or forfeitures differ significantly from our estimates and assumptions, or if assumptions used to estimate the grant date fair value of future stock-based award grants are significantly changed, stock-based compensation expense and, therefore, our results of operations could be materially impacted. A hypothetical 10% change in our Fiscal 2022 stock-based compensation expense would have affected our net income by approximately \$7 million.

#### **RECENTLY ISSUED ACCOUNTING STANDARDS**

See Note 4 to the accompanying consolidated financial statements for a description of certain recently issued accounting standards which have impacted our consolidated financial statements or may impact our consolidated financial statements in future reporting periods.

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

For a discussion of our exposure to market risk, see "Market Risk Management" in Item 7 included elsewhere in this Annual Report on Form 10-K.

**Item 8. Financial Statements and Supplementary Data.**

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

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

Not applicable.

**Item 9A. Controls and Procedures.****(a) Evaluation of Disclosure Controls and Procedures**

Disclosure controls and procedures are the controls and other procedures of an issuer that are designed to provide reasonable assurance that information required to be disclosed by the issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time period specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that material information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

We have evaluated, under the supervision and with the participation of management, including our principal executive and principal financial officers, the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as of the end of the fiscal year covered by this annual report. Based on that evaluation, our principal executive and principal financial officers have concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level, as of the fiscal year-end covered by this Annual Report on Form 10-K.

**(b) Management's Report on Internal Control Over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Securities Exchange Act Rule 13a-15(f). Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with U.S. Generally Accepted Accounting Principles. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of the Company's assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Further, the evaluation of the effectiveness of internal control over financial reporting was made as of a specific date, and continued effectiveness in future periods is subject to the risks that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies and procedures may decline.

Under the supervision and with the participation of management, including our principal executive and principal financial officers, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of the end of the fiscal year covered by this report based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013 Framework). Based on this evaluation, management concluded that the Company's internal controls over financial reporting were effective at the reasonable assurance level as of the fiscal year-end covered by this Annual Report on Form 10-K.

Ernst & Young LLP, the Company's independent registered public accounting firm, has issued an attestation report on the Company's internal control over financial reporting as included elsewhere herein.

### **(c) Changes in Internal Controls over Financial Reporting**

There has been no change in our internal control over financial reporting during the fourth quarter of Fiscal 2022 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Although there have been no material changes in the Company's internal control over financial reporting, we continue to experience varying degrees of business disruptions related to the COVID-19 pandemic, including periods of temporary closure of our stores, distribution centers, and corporate facilities, as described within Item 1 — "Business — Recent Developments," with a significant portion of our corporate employees continuing to work remotely. Additionally, in connection with our Fiscal 2021 Strategic Realignment Plan, as described within Item 1 — "Business — Recent Developments," we made a significant reduction to our global workforce during the second half of Fiscal 2021. Despite such cumulative actions, we have not experienced any material changes to our internal controls over financial reporting. We will continue to evaluate and monitor the impact of the COVID-19 pandemic and our restructuring activities on our internal controls. See Item 1A — "Risk Factors — Risks Related to Macroeconomic Conditions — Infectious disease outbreaks, such as the COVID-19 pandemic, could have a material adverse effect on our business" and "Risk Factors — Risks Related to our Strategic Initiatives and Restructuring Activities — We may not fully realize the expected cost savings and/or operating efficiencies from our restructuring plans" for additional discussion regarding risks to our business associated with the COVID-19 pandemic and our restructuring plans, respectively.

### **Item 9B. Other Information.**

Not applicable.

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

Not applicable.

## **PART III**

### **Item 10. Directors, Executive Officers and Corporate Governance.**

Information relating to our directors and corporate governance will be set forth in the Company's proxy statement for its 2022 annual meeting of stockholders to be filed within 120 days after April 2, 2022 (the "Proxy Statement") and is incorporated by reference herein. Information relating to our executive officers is set forth in Item 1 of this Annual Report on Form 10-K under the caption "Information About Our Executive Officers."

We have a Code of Ethics for Principal Executive Officers and Senior Financial Officers that covers the Company's principal executive officer, principal operating officer, principal financial officer, principal accounting officer, controller, and any person performing similar functions, as applicable. We also have a Code of Business Conduct and Ethics that covers the Company's directors, officers, and employees. You can find our Code of Ethics for Principal Executive Officers and Senior Financial Officers and our Code of Business Conduct and Ethics (collectively, the "Codes") on our website, <http://investor.ralphlauren.com>. We will post any amendments to the Codes and any waivers that are required to be disclosed by the rules of either the SEC or the NYSE on our website.

### **Item 11. Executive Compensation.**

Information relating to executive and director compensation will be set forth in the Proxy Statement and such information is incorporated by reference herein.

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

**Equity Compensation Plan Information**

The following table sets forth information as of April 2, 2022 regarding compensation plans under which the Company's equity securities are authorized for issuance:

Plan Category	(a) Numbers of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options (\$)	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	2,590,648 <sup>(1)</sup>	N/A <sup>(2)</sup>	3,225,552 <sup>(3)</sup>
Equity compensation plans not approved by security holders	—	—	—
Total	<u>2,590,648</u>	<u>\$ —</u>	<u>3,225,552</u>

<sup>(1)</sup> Consists of restricted stock units that are payable solely in shares of Class A common stock (including 482,302 service-based restricted stock units that have fully vested but for which the underlying shares have not yet been delivered as of April 2, 2022).

<sup>(2)</sup> Represents the weighted-average exercise price of outstanding stock options. No options were outstanding as of April 2, 2022.

<sup>(3)</sup> All of the securities remaining available for future issuance set forth in column (c) may be in the form of restricted stock units, performance awards, restricted stock, options, stock appreciation rights, or other stock-based awards under the Company's 2019 Incentive Plan.

Other information relating to security ownership of certain beneficial owners and management will be set forth in the Proxy Statement and such information is incorporated by reference herein.

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

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

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

The information required to be included by Item 14 of Form 10-K will be included in the Proxy Statement and such information is incorporated by reference herein.

## PART IV

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

- (a) 1., 2. Financial Statements and Financial Statement Schedules. See index on Page F-1.
- 3. Exhibits

Exhibit Number	Description
3.1	<a href="#">Amended and Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Registration Statement on Form S-1 (File No. 333-24733) (the "S-1"))</a>
3.2	<a href="#">Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Form 8-K filed August 16, 2011)</a>
3.3	<a href="#">Fourth Amended and Restated By-laws of the Company (filed as Exhibit 3.3 to the Form 10-Q for the quarterly period ended July 1, 2017)</a>
4.1	<a href="#">Indenture, dated as of September 26, 2013, by and between the Company and Wells Fargo Bank, National Association (including the form of Note) (filed as Exhibit 4.1 to the Form 8-K filed September 26, 2013)</a>
4.2	<a href="#">Third Supplemental Indenture, dated as of August 9, 2018, by and between Ralph Lauren Corporation and Wells Fargo Bank, National Association (filed as Exhibit 4.2 to the Form 8-K filed August 9, 2018)</a>
4.3	<a href="#">Fourth Supplemental Indenture, dated as of June 3, 2020, by and between Ralph Lauren Corporation and Wells Fargo Bank, National Association (filed as Exhibit 4.2 to the Form 8-K filed June 4, 2020)</a>
4.4	<a href="#">Description of Securities Registered Under Section 12 of the Exchange Act (filed as Exhibit 4.4 to the Form 10-K for the fiscal year ended March 28, 2020 (the "Fiscal 2020 10-K"))</a>
10.1	<a href="#">Registration Rights Agreement dated as of June 9, 1997 by and among Ralph Lauren, GS Capital Partners, L.P., GS Capital Partner PRL Holding I, L.P., GS Capital Partners PRL Holding II, L.P., Stone Street Fund 1994, L.P., Stone Street 1994 Subsidiary Corp., Bridge Street Fund 1994, L.P., and the Company (filed as Exhibit 10.3 to the S-1)</a>
10.2	<a href="#">Form of Indemnification Agreement between the Company and its Directors and Executive Officers (filed as Exhibit 10.26 to the S-1)†</a>
10.3	<a href="#">Amended and Restated Employment Agreement, effective as of April 2, 2017, between the Company and Ralph Lauren (filed as Exhibit 10.1 to the Form 8-K filed March 31, 2017)†</a>
10.4	<a href="#">Amendment No. 1 to the Amended and Restated Employment Agreement, dated June 16, 2020, between the Company and Ralph Lauren (filed as Exhibit 10.1 to the Form 10-Q filed August 4, 2020)†</a>
10.5	<a href="#">Amendment No. 2 to the Amended and Restated Employment Agreement, dated June 16, 2021, between the Company and Ralph Lauren (filed as Exhibit 10.1 to the Company's Form 10-Q filed August 3, 2021)†</a>
10.6	<a href="#">Employment Agreement, dated May 13, 2017, between the Company and Patrice Louvet (filed as Exhibit 10.1 to the Form 8-K filed May 17, 2017)†</a>
10.7	<a href="#">Amendment No. 1 to the Employment Agreement, dated June 30, 2017, between the Company and Patrice Louvet (filed as Exhibit 10.1 to the Form 10-Q for the quarterly period ended July 1, 2017)†</a>
10.8	<a href="#">Amendment No. 2 to the Employment Agreement, dated June 17, 2020, between the Company and Patrice Louvet (filed as Exhibit 10.2 to the Form 10-Q filed August 4, 2020)†</a>
10.9	<a href="#">Amendment No. 3 to the Employee Agreement, dated July 28, 2021, between the Company and Patrice Louvet (filed as Exhibit 10.2 to the Company's Form 10-Q filed August 3, 2021)†</a>
10.10	<a href="#">Amended and Restated Employment Agreement, dated February 28, 2019, between the Company and Jane Nielsen (filed as Exhibit 10.1 to the Form 8-K filed March 1, 2019)†</a>
10.11	<a href="#">Amendment No. 1 to the Amended and Restated Employment Agreement, dated June 17, 2020, between the Company and Jane Nielsen (filed as Exhibit 10.3 to the Form 10-Q filed August 4, 2020)†</a>
10.12	<a href="#">Restricted Stock Unit Award Agreement, dated as of June 8, 2004, between the Company and Ralph Lauren (filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the fiscal year ended April 2, 2005)†</a>
10.13	<a href="#">Executive Officer Annual Incentive Plan, as amended as of August 10, 2017 (filed as Exhibit 10.2 to the Form 10-Q for the quarterly period ended July 1, 2017)†</a>
10.14	<a href="#">Executive Officer Annual Incentive Plan, as amended as of May 20, 2020 (filed as Exhibit 10.14 to the Fiscal 2020 10-K)†</a>
10.15	<a href="#">1997 Long-Term Stock Incentive Plan, as Amended and Restated as of August 12, 2004 (filed as Exhibit 99.1 to the Form 8-K filed October 4, 2004)†</a>
10.16	<a href="#">Amendment, as of June 30, 2006, to the 1997 Long-Term Stock Incentive Plan, as Amended and Restated as of August 12, 2004 (filed as Exhibit 10.4 to the Form 10-Q for the quarterly period ended July 1, 2006)†</a>

**Exhibit  
Number**

**Description**

10.17	<a href="#">Amendment No. 2, dated as of May 21, 2009, to the 1997 Long-Term Stock Incentive Plan, as Amended and Restated as of August 12, 2004 (filed as Exhibit 10.26 to the Company's Annual Report on Form 10-K for the fiscal year ended March 28, 2009)†</a>
10.18	<a href="#">Amended and Restated 2010 Long-Term Incentive Plan, amended as of August 11, 2016 (filed as Exhibit 10.4 to the Form 10-Q for the quarterly period ended July 2, 2016)†</a>
10.19	<a href="#">2019 Long-Term Stock Incentive Plan (filed as Appendix C to the Company's Definitive Proxy Statement dated June 21, 2019)†</a>
10.20	<a href="#">Cliff Restricted Performance Share Unit Award Overview containing the standard terms of cliff restricted performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.25 to the Company's Annual Report on Form 10-K for the fiscal year ended March 29, 2014 (the "Fiscal 2014 10-K"))†</a>
10.21	<a href="#">Pro-Rata Restricted Performance Share Unit Award Overview containing the standard terms of restricted performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.26 to the Fiscal 2014 10-K)†</a>
10.22	<a href="#">Stock Option Award Overview containing the standard terms of stock option awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.27 to the Fiscal 2014 10-K)†</a>
10.23	<a href="#">Cliff Restricted Performance Share Unit with TSR Modifier Award Overview containing the standard terms of cliff restricted performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.28 to the Fiscal 2014 10-K)†</a>
10.24	<a href="#">Form of Performance Share Unit Award Agreement under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.38 to the Company's Annual Report on Form 10-K for the fiscal year ended March 28, 2015 (the "Fiscal 2015 10-K"))†</a>
10.25	<a href="#">Form of Performance-Based Restricted Stock Unit Award Agreement under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.39 to the Fiscal 2015 10-K)†</a>
10.26	<a href="#">Form of Restricted Stock Unit Award Agreement under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.1 to the Form 10-Q for the quarterly period ended June 27, 2015)†</a>
10.27	<a href="#">Performance Share Unit Award Overview containing the standard terms of performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.1 to the Form 10-Q for the quarterly period ended September 30, 2017)†</a>
10.28	<a href="#">Performance-Based Restricted Stock Unit - Award Notification containing the standard terms of performance-based restricted stock unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.2 to the Form 10-Q for the quarterly period ended September 30, 2017)†</a>
10.29	<a href="#">Restricted Stock Unit Overview containing the standard terms of restricted stock unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.3 to the Form 10-Q for the quarterly period ended September 30, 2017)†</a>
10.30	<a href="#">Performance Share Unit Award Overview containing the standard terms of performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.1 to the Form 10-Q for the quarterly period ended December 29, 2018)†</a>
10.31	<a href="#">Performance-Based Restricted Stock Unit - Award Notification containing the standard terms of performance-based restricted stock unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.2 to the Form 10-Q for the quarterly period ended December 29, 2018)†</a>
10.32	<a href="#">Restricted Stock Unit Overview containing the standard terms of restricted stock unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.3 to the Form 10-Q for the quarterly period December 29, 2018)†</a>
10.33	<a href="#">Performance Share Unit Award Overview containing the standard terms of performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.2 to the Form 10-Q for the quarterly period ended June 29, 2019)†</a>
10.34	<a href="#">One-time Fiscal 2020 Performance Share Unit - Award Notification containing the standard terms of the one-time Fiscal 2020 performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.3 to the Form 10-Q for the quarterly period ended June 29, 2019)†</a>
10.35	<a href="#">Restricted Stock Unit Overview containing the standard terms of restricted stock unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.4 to the Form 10-Q for the quarterly period ended June 29, 2019)†</a>
10.36	<a href="#">Performance Share Unit Award Overview containing the standard terms of performance share unit awards under the 2019 Long-Term Stock Incentive Plan (filed as Exhibit 10.2 to the Form 10-Q for the quarterly period ended September 28, 2019)†</a>
10.37	<a href="#">Form of Performance-Based Restricted Stock Unit Award Notification under the 2019 Long-Term Stock Incentive Plan (filed as Exhibit 10.3 to the Form 10-Q for the quarterly period ended September 28, 2019)†</a>

**Exhibit  
Number**

**Description**

10.38	<a href="#">Restricted Stock Unit Overview containing the standard terms of restricted stock unit awards under the 2019 Long-Term Stock Incentive Plan (filed as Exhibit 10.4 to the Form 10-Q for the quarterly period ended September 28, 2019)†</a>
10.39*	<a href="#">Form of Non-Employee Director Restricted Stock Unit Award Agreement under the 2019 Long-Term Stock Incentive Plan †</a>
10.40	<a href="#">Form of Cliff Restricted Stock Award Agreement under the 2019 Long-Term Stock Incentive Plan (filed as Exhibit 10.2 to the Form 10-Q filed November 5, 2020)†</a>
10.41	<a href="#">Form of Pro-Rata Restricted Stock Unit Award Agreement under the 2019 Long-Term Stock Incentive Plan (filed as Exhibit 10.3 to the Form 10-Q filed November 5, 2020)†</a>
10.42	<a href="#">Amended and Restated Polo Ralph Lauren Supplemental Executive Retirement Plan (filed as Exhibit 10.1 to the Company's Form 10-Q for the quarterly period ended December 31, 2005)†</a>
10.43	<a href="#">Form of Restricted Stock Unit Award Agreement under the 2019 Long-Term Stock Incentive Plan (filed as Exhibit 10.1 to the Company's Form 10-Q Filed November 3, 2021)†</a>
10.44	<a href="#">Form of Performance Share Unit Award- PSU Operating Profit Margin Agreement under the 2019 Long-Term Stock Incentive Plan (filed as Exhibit 10.2 to the Company's Form 10-Q filed November 3, 2021)†</a>
10.45	<a href="#">Form of Performance Share Unit Award- TSR Agreement under the 2019 Long-Term Stock Incentive Plan (filed as Exhibit 10.3 to the Company's Form 10-Q filed November 3, 2021)†</a>
10.46	<a href="#">Credit Agreement, dated as of August 12, 2019 and as amended by the First Amendment, dated as of May 26, 2020, among the Company, RL Finance B.V., Ralph Lauren Europe Sàrl, and Ralph Lauren Asia Pacific Limited as the borrowers, the lenders party thereto, Bank of America, N.A., as syndication agent, Wells Fargo Bank, N.A., HSBC Bank USA, N.A., ING Bank N.V., Dublin Branch, and Deutsche Bank Securities Inc., as co-documentation agents, and JPMorgan Chase Bank, N.A., as administrative agent (filed as Exhibit 10.41 to the Fiscal 2020 10-K).</a>
10.47	<a href="#">Credit Agreement, dated as of August 12, 2019 and as amended by the Second Amendment, dated as of January 3, 2022, among the Company, RL Finance B.V., Ralph Lauren Europe Sàrl, and Ralph Lauren Asia Pacific Limited as the borrowers, the lenders party thereto, Bank of America, N.A., as syndication agent, Wells Fargo Bank, N.A., HSBC Bank USA, N.A., ING Bank N.V., Dublin Branch, and Deutsche Bank Securities Inc., as co-documentation agents, and JPMorgan Chase Bank, N.A., as administrative agent (filed as Exhibit 10.1 to the Company's Form 10-Q filed February 3, 2022)</a>
10.48*	<a href="#">Credit Agreement, dated as of August 12, 2019 and as amended by the Third Amendment, dated as of March 18, 2022, among the Company, RL Finance B.V., Ralph Lauren Europe Sàrl, and Ralph Lauren Asia Pacific Limited as the borrowers, the lenders party thereto, Bank of America, N.A., as syndication agent, Wells Fargo Bank, N.A., HSBC Bank USA, N.A., ING Bank N.V., Dublin Branch, and Deutsche Bank Securities Inc., as co-documentation agents, and JPMorgan Chase Bank, N.A., as administrative agent</a>
14.1	<a href="#">Code of Ethics for Principal Executive Officers and Senior Financial Officers (filed as Exhibit 14.1 to the Company's Annual Report on Form 10-K for the fiscal year ended March 29, 2003 and available, as amended, on the Company's Internet site)</a>
14.2	<a href="#">Code of Business Conduct and Ethics of the Company (filed as Exhibit 14.1 to the Form 10-Q for the quarterly period ended June 27, 2015 and available, as amended, on the Company's Internet site)</a>
21.1*	<a href="#">List of Subsidiaries of the Company</a>
23.1*	<a href="#">Consent of Ernst &amp; Young LLP</a>
31.1*	<a href="#">Certification of Principal Executive Officer pursuant to 17 CFR 240.13a-14(a)</a>
31.2*	<a href="#">Certification of Principal Financial Officer pursuant to 17 CFR 240.13a-14(a)</a>
32.1*	<a href="#">Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
32.2*	<a href="#">Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

Exhibits 32.1 and 32.2 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. Such exhibits shall not be deemed incorporated by reference into any filing under the Securities Act of 1933 or Securities Exchange Act of 1934.

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- \* Filed herewith.
- † Management contract or compensatory plan or arrangement.

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

None.

## SIGNATURES

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

RALPH LAUREN CORPORATION

By: \_\_\_\_\_ /s/ JANE HAMILTON NIELSEN

Jane Hamilton Nielsen  
*Chief Operating Officer and Chief Financial Officer  
(Principal Financial and Accounting Officer)*

Date: May 24, 2022

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>
/s/ RALPH LAUREN Ralph Lauren	Executive Chairman, Chief Creative Officer, and Director	May 24, 2022
/s/ PATRICE LOUVET Patrice Louvet	President, Chief Executive Officer, and Director (Principal Executive Officer)	May 24, 2022
/s/ JANE HAMILTON NIELSEN Jane Hamilton Nielsen	Chief Operating Officer and Chief Financial Officer (Principal Financial and Accounting Officer)	May 24, 2022
/s/ DAVID LAUREN David Lauren	Vice Chairman, Chief Branding and Innovation Officer, Strategic Advisor to the CEO, and Director	May 24, 2022
/s/ ANGELA AHRENDTS Angela Ahrendts	Director	May 24, 2022
/s/ JOHN R. ALCHIN John R. Alchin	Director	May 24, 2022
/s/ FRANK A. BENNACK, JR. Frank A. Bennack, Jr.	Director	May 24, 2022
/s/ LINDA FINDLEY Linda Findley	Director	May 24, 2022
/s/ MICHAEL A. GEORGE Michael A. George	Director	May 24, 2022
/s/ VALERIE JARRETT Valerie Jarrett	Director	May 24, 2022

<u>Signature</u>	<u>Title</u>	<u>Date</u>
/s/ HUBERT JOLY Hubert Joly	Director	May 24, 2022
/s/ JUDITH MCHALE Judith McHale	Director	May 24, 2022
/s/ DARREN WALKER Darren Walker	Director	May 24, 2022

**RALPH LAUREN CORPORATION**  
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**RALPH LAUREN CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

April 2,  
2022

March 27,  
2021

(millions)

<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 1,863.8	\$ 2,579.0	
Short-term investments	734.6	197.5	
Accounts receivable, net of allowances of \$214.7 million and \$213.8 million	405.4	451.5	
Inventories	977.3	759.0	
Income tax receivable	63.7	54.4	
Prepaid expenses and other current assets	172.5	166.6	
<b>Total current assets</b>	<b>4,217.3</b>	<b>4,208.0</b>	
Property and equipment, net	969.5	1,014.0	
Operating lease right-of-use assets	1,111.3	1,239.5	
Deferred tax assets	303.8	283.9	
Goodwill	908.7	934.6	
Intangible assets, net	102.9	121.1	
Other non-current assets	111.2	86.4	
<b>Total assets</b>	<b>\$ 7,724.7</b>	<b>\$ 7,887.5</b>	
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities:</b>			
Current portion of long-term debt	\$ 499.8	\$ —	
Accounts payable	448.7	355.9	
Current income tax payable	53.8	50.6	
Current operating lease liabilities	262.0	302.9	
Accrued expenses and other current liabilities	991.4	875.4	
<b>Total current liabilities</b>	<b>2,255.7</b>	<b>1,584.8</b>	
Long-term debt	1,136.5	1,632.9	
Long-term finance lease liabilities	341.6	370.5	
Long-term operating lease liabilities	1,132.2	1,294.5	
Non-current income tax payable	98.9	118.7	
Non-current liability for unrecognized tax benefits	91.9	91.4	
Other non-current liabilities	131.9	190.3	
Commitments and contingencies (Note 15)			
<b>Total liabilities</b>	<b>5,188.7</b>	<b>5,283.1</b>	
<b>Equity:</b>			
Class A common stock, par value \$.01 per share; 106.9 million and 106.1 million shares issued; 45.0 million and 48.3 million shares outstanding	1.0	1.0	
Class B common stock, par value \$.01 per share; 24.9 million shares issued and outstanding	0.3	0.3	
Additional paid-in-capital	2,748.8	2,667.1	
Retained earnings	6,274.9	5,872.9	
Treasury stock, Class A, at cost; 61.9 million and 57.8 million shares	(6,308.7)	(5,816.1)	
Accumulated other comprehensive loss	(180.3)	(120.8)	
<b>Total equity</b>	<b>2,536.0</b>	<b>2,604.4</b>	
<b>Total liabilities and equity</b>	<b>\$ 7,724.7</b>	<b>\$ 7,887.5</b>	

See accompanying notes.

**RALPH LAUREN CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
(millions, except per share data)			
<b>Net revenues</b>	\$ 6,218.5	\$ 4,400.8	\$ 6,159.8
Cost of goods sold	(2,071.0)	(1,539.4)	(2,506.5)
<b>Gross profit</b>	4,147.5	2,861.4	3,653.3
Selling, general, and administrative expenses	(3,305.6)	(2,638.5)	(3,237.5)
Impairment of assets	(21.3)	(96.0)	(31.6)
Restructuring and other charges, net	(22.2)	(170.5)	(67.2)
<b>Total other operating expenses, net</b>	(3,349.1)	(2,905.0)	(3,336.3)
<b>Operating income (loss)</b>	798.4	(43.6)	317.0
Interest expense	(54.0)	(48.5)	(17.6)
Interest income	5.5	9.7	34.4
Other income (expense), net	4.7	7.6	(7.4)
<b>Income (loss) before income taxes</b>	754.6	(74.8)	326.4
Income tax benefit (provision)	(154.5)	(46.3)	57.9
<b>Net income (loss)</b>	<u>\$ 600.1</u>	<u>\$ (121.1)</u>	<u>\$ 384.3</u>
<b>Net income (loss) per common share:</b>			
Basic	<u>\$ 8.22</u>	<u>\$ (1.65)</u>	<u>\$ 5.07</u>
Diluted	<u>\$ 8.07</u>	<u>\$ (1.65)</u>	<u>\$ 4.98</u>
<b>Weighted-average common shares outstanding:</b>			
Basic	<u>73.0</u>	<u>73.5</u>	<u>75.8</u>
Diluted	<u>74.3</u>	<u>73.5</u>	<u>77.2</u>
Dividends declared per share	<u>\$ 2.75</u>	<u>\$ —</u>	<u>\$ 2.75</u>

See accompanying notes.

**RALPH LAUREN CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
<b>Net income (loss)</b>	\$ 600.1	\$ (121.1)	\$ 384.3
<b>Other comprehensive income (loss), net of tax:</b>			
Foreign currency translation gains (losses)	(66.5)	7.2	(11.9)
Net gains (losses) on cash flow hedges	4.4	(13.4)	(2.2)
Net gains (losses) on defined benefit plans	2.6	3.6	(0.7)
<b>Other comprehensive loss, net of tax</b>	<b>(59.5)</b>	<b>(2.6)</b>	<b>(14.8)</b>
<b>Total comprehensive income (loss)</b>	<b>\$ 540.6</b>	<b>\$ (123.7)</b>	<b>\$ 369.5</b>

See accompanying notes.

**RALPH LAUREN CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ 600.1	\$ (121.1)	\$ 384.3
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization expense	229.7	247.6	269.5
Deferred income tax expense (benefit)	(46.1)	35.6	(168.8)
Non-cash stock-based compensation expense	81.7	72.7	100.6
Non-cash impairment of assets	21.3	96.0	38.7
Bad debt expense (reversals)	(2.2)	(27.6)	58.7
Other non-cash charges (benefits)	1.0	1.8	(2.3)
Changes in operating assets and liabilities:			
Accounts receivable	32.4	(143.0)	57.6
Inventories	(269.3)	3.7	72.3
Prepaid expenses and other current assets	(28.3)	5.2	58.2
Accounts payable and accrued liabilities	194.6	293.6	(64.3)
Income tax receivables and payables	(62.3)	(37.8)	(42.5)
Operating lease right-of-use assets and liabilities, net	(61.6)	(30.2)	(37.5)
Other balance sheet changes	24.9	(15.6)	30.1
<b>Net cash provided by operating activities</b>	<b>715.9</b>	<b>380.9</b>	<b>754.6</b>
<b>Cash flows from investing activities:</b>			
Capital expenditures	(166.9)	(107.8)	(270.3)
Purchases of investments	(1,510.6)	(704.6)	(1,289.7)
Proceeds from sales and maturities of investments	964.6	1,007.2	2,240.4
Proceeds from sale of property	—	—	20.8
Settlement of net investment hedges	—	3.7	—
Other investing activities	(5.0)	(3.5)	0.9
<b>Net cash provided by (used in) investing activities</b>	<b>(717.9)</b>	<b>195.0</b>	<b>702.1</b>
<b>Cash flows from financing activities:</b>			
Proceeds from credit facility borrowings	—	—	475.0
Repayments of credit facility borrowings	—	(475.0)	—
Proceeds from the issuance of long-term debt	—	1,241.9	—
Repayments of long-term debt	—	(300.0)	—
Payments of finance lease obligations	(23.1)	(13.9)	(13.6)
Payments of dividends	(150.0)	(49.8)	(203.9)
Repurchases of common stock, including shares surrendered for tax withholdings	(492.6)	(37.7)	(694.8)
Other financing activities	—	(8.7)	(0.9)
<b>Net cash provided by (used in) financing activities</b>	<b>(665.7)</b>	<b>356.8</b>	<b>(438.2)</b>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(48.3)	25.5	(15.2)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(716.0)	958.2	1,003.3
Cash, cash equivalents, and restricted cash at beginning of period	2,588.0	1,629.8	626.5
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 1,872.0</b>	<b>\$ 2,588.0</b>	<b>\$ 1,629.8</b>

See accompanying notes.

**RALPH LAUREN CORPORATION**  
**CONSOLIDATED STATEMENTS OF EQUITY**

	Common Stock <sup>(a)</sup>		Additional Paid-in Capital		Retained Earnings	Treasury Stock at Cost		AOCl <sup>(b)</sup>	Total Equity
	Shares	Amount				Shares	Amount		
(millions)									
<b>Balance at March 30, 2019</b>	128.8	\$ 1.3	\$ 2,493.8	\$ 5,979.1	50.7	\$ (5,083.6)	\$ (103.4)	\$ 3,287.2	
Comprehensive income:									
Net income					384.3				
Other comprehensive loss								(14.8)	
Total comprehensive income									369.5
Dividends declared					(204.9)				(204.9)
Repurchases of common stock						6.6	(694.8)		(694.8)
Stock-based compensation					100.6				100.6
Shares issued pursuant to stock-based compensation plans	1.0	—	—	—					—
Cumulative adjustment from adoption of new accounting standards					(164.5)				(164.5)
<b>Balance at March 28, 2020</b>	129.8	\$ 1.3	\$ 2,594.4	\$ 5,994.0	57.3	\$ (5,778.4)	\$ (118.2)	\$ 2,693.1	
Comprehensive loss:									
Net loss					(121.1)				
Other comprehensive loss								(2.6)	
Total comprehensive loss								(123.7)	
Dividends declared						—			—
Repurchases of common stock						0.5	(37.7)		(37.7)
Stock-based compensation					72.7				72.7
Shares issued pursuant to stock-based compensation plans	1.2	—	—	—					—
<b>Balance at March 27, 2021</b>	131.0	\$ 1.3	\$ 2,667.1	\$ 5,872.9	57.8	\$ (5,816.1)	\$ (120.8)	\$ 2,604.4	
Comprehensive income:									
Net income					600.1				
Other comprehensive loss								(59.5)	
Total comprehensive income								540.6	
Dividends declared					(198.1)				(198.1)
Repurchases of common stock						4.1	(492.6)		(492.6)
Stock-based compensation					81.7				81.7
Shares issued pursuant to stock-based compensation plans	0.8	—	—	—					—
<b>Balance at April 2, 2022</b>	131.8	\$ 1.3	\$ 2,748.8	\$ 6,274.9	61.9	\$ (6,308.7)	\$ (180.3)	\$ 2,536.0	

<sup>(a)</sup> Includes Class A and Class B common stock. In Fiscal 2020, 1.0 million shares of Class B common stock were converted into an equal number of shares of Class A common stock pursuant to the terms of the Class B common stock (see Note 16).

<sup>(b)</sup> Accumulated other comprehensive income (loss).

See accompanying notes.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Description of Business**

Ralph Lauren Corporation ("RLC") is a global leader in the design, marketing, and distribution of premium lifestyle products, including apparel, footwear, accessories, home furnishings, fragrances, and hospitality. RLC's long-standing reputation and distinctive image have been developed across a wide range of products, brands, distribution channels, and international markets. RLC's brand names include Ralph Lauren, Ralph Lauren Collection, Ralph Lauren Purple Label, Polo Ralph Lauren, Double RL, Lauren Ralph Lauren, Polo Ralph Lauren Children, and Chaps, among others. RLC and its subsidiaries are collectively referred to herein as the "Company," "we," "us," "our," and "ourselves," unless the context indicates otherwise.

The Company diversifies its business by geography (North America, Europe, and Asia, among other regions) and channel of distribution (retail, wholesale, and licensing). This allows the Company to maintain a dynamic balance as its operating results do not depend solely on the performance of any single geographic area or channel of distribution. The Company sells directly to consumers through its integrated retail channel, which includes its retail stores, concession-based shop-within-shops, and digital commerce operations around the world. The Company's wholesale sales are made principally to major department stores, specialty stores, and third-party digital partners around the world, as well as to certain third-party-owned stores to which the Company has licensed the right to operate in defined geographic territories using its trademarks. In addition, the Company licenses to third parties for specified periods the right to access its various trademarks in connection with the licensees' manufacture and sale of designated products, such as certain apparel, eyewear, fragrances, and home furnishings.

The Company organizes its business into the following three reportable segments: North America, Europe, and Asia. In addition to these reportable segments, the Company also has other non-reportable segments. See Note 20 for further discussion of the Company's segment reporting structure.

**2. Basis of Presentation**

***Basis of Consolidation***

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP") and present the consolidated financial position, income (loss), comprehensive income (loss), and cash flows of the Company, including all entities in which the Company has a controlling financial interest and is determined to be the primary beneficiary. All significant intercompany balances and transactions have been eliminated in consolidation.

Additionally, as discussed in Note 9, the Company completed the sale of its Club Monaco business at the end of its first quarter of Fiscal 2022 (as defined below) on June 26, 2021. As a result, assets and liabilities related to the Club Monaco business were deconsolidated from the consolidated statement of financial position effective June 26, 2021, with Club Monaco's operating results included in the consolidated statements of income (loss), comprehensive income (loss), and cash flows through the end of the first quarter of Fiscal 2022. Prior year financial statements were not affected.

***Fiscal Year***

The Company utilizes a 52-53 week fiscal year ending on the Saturday immediately before or after March 31. As such, fiscal year 2022 ended on April 2, 2022 and was a 53-week period ("Fiscal 2022"); fiscal year 2021 ended on March 27, 2021 and was a 52-week period ("Fiscal 2021"); fiscal year 2020 ended on March 28, 2020 and was a 52-week period ("Fiscal 2020"); and fiscal year 2023 will end on April 1, 2023 and will be a 52-week period ("Fiscal 2023").

***Use of Estimates***

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

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Significant estimates inherent in the preparation of the consolidated financial statements include reserves for bad debt, customer returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances; the realizability of inventory; reserves for litigation and other contingencies; useful lives and impairments of long-lived tangible and intangible assets; fair value measurements; accounting for income taxes and related uncertain tax positions; valuation of stock-based compensation awards and related forfeiture rates; and reserves for restructuring activity, among others.

***Reclassifications***

Certain reclassifications have been made to the prior periods' financial information in order to conform to the current period's presentation.

***COVID-19 Pandemic***

Beginning in the fourth quarter of the Company's Fiscal 2020, a novel strain of coronavirus commonly referred to as COVID-19 emerged and spread rapidly across the globe, including throughout all major geographies in which the Company operates, resulting in adverse economic conditions and business disruptions, as well as significant volatility in global financial markets. Since then, governments worldwide have periodically imposed varying degrees of preventative and protective actions, such as temporary travel bans, forced business closures, and stay-at-home orders, all in an effort to reduce the spread of the virus. Such factors, among others, have resulted in a significant decline in retail traffic, tourism, and consumer spending on discretionary items. Additionally, companies across a wide array of industries have implemented various initiatives to reduce operating expenses and preserve cash balances during the pandemic, including work furloughs, reduced pay, and severance actions, which could lower consumers' disposable income levels or willingness to purchase discretionary items. Such government restrictions, company initiatives, and other macroeconomic impacts resulting from the pandemic could continue to adversely affect consumer behavior, spending levels, and/or shopping preferences, such as willingness to congregate in indoor shopping centers or other populated locations.

As a result of the COVID-19 pandemic, the Company has experienced varying degrees of business disruptions and periods of closure of its stores, distribution centers, and corporate facilities, as have the Company's wholesale customers, licensing partners, suppliers, and vendors. During the first quarter of Fiscal 2021 at the peak of the pandemic, the majority of the Company's stores in key markets were closed for an average of 8 to 10 weeks due to government-mandated lockdowns and other restrictions, resulting in significant adverse impacts to its operating results. Resurgences and outbreaks in certain parts of the world resulted in further business disruptions periodically throughout Fiscal 2021, most notably in Europe where a significant number of the Company's stores were closed for approximately two to three months during the second half of Fiscal 2021, including during the holiday period, due to government-mandated lockdowns and other restrictions. Such disruptions continued throughout Fiscal 2022 in certain regions, although to a lesser extent than the comparable prior year fiscal period. Further, throughout the course of the pandemic, the majority of the Company's stores that were able to remain open have periodically been subject to limited operating hours and/or customer capacity levels in accordance with local health guidelines, with traffic remaining challenged. However, the Company's digital commerce operations have grown significantly from pre-pandemic levels, due in part to our investments and enhanced capabilities, as well as changes in consumer shopping preferences. The Company's wholesale and licensing businesses have experienced similar impacts, particularly in North America and Europe.

The COVID-19 pandemic also continues to adversely impact the Company's distribution, logistic, and sourcing partners, including temporary factory closures, labor shortages, vessel, container and other transportation shortages, and port congestion. Such disruptions have reduced the availability of inventory, delayed timing of inventory receipts, and resulted in increased costs for the both the purchase and transportation of such inventory.

Throughout the course of the pandemic, the Company's priority has been to ensure the safety and well-being of its employees, customers, and the communities in which it operates around the world. The Company continues to consider the guidance of local governments and global health organizations and has implemented new health and safety protocols in its stores, distribution centers, and corporate facilities. The Company also took various preemptive actions in the prior fiscal year to preserve cash and strengthen its liquidity position, as described in the Fiscal 2021 10-K. Such actions included, but were not limited to, issuing \$1.250 billion of unsecured senior notes, temporarily suspending the Company's quarterly cash dividend and common stock repurchase programs, temporarily reducing the base compensation of its executives and senior management team, and temporarily furloughing or reducing work hours for a significant portion of its employees.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Despite the introduction of COVID-19 vaccines and improvements in the global economy as a whole during Fiscal 2022, the pandemic remains volatile and continues to evolve, including the emergence of variants of the virus, such as the Delta and Omicron variants, which has and could continue to adversely affect consumer sentiment and confidence. Accordingly, the Company cannot predict for how long and to what extent the pandemic will continue to impact its business operations or the overall global economy. The Company will continue to assess its operations location-by-location, considering the guidance of local governments and global health organizations.

**3. Summary of Significant Accounting Policies**

***Revenue Recognition***

The Company recognizes revenue across all channels of the business when it satisfies its performance obligations by transferring control of promised products or services to its customers, which occurs either at a point in time or over time, depending on when the customer obtains the ability to direct the use of and obtain substantially all of the remaining benefits from the products or services. The amount of revenue recognized considers terms of sale that create variability in the amount of consideration that the Company ultimately expects to be entitled to in exchange for the products or services, and is subject to an overall constraint that a significant revenue reversal will not occur in future periods. Sales and other related taxes collected from customers and remitted to government authorities are excluded from revenue.

Revenue from the Company's retail business is recognized when the customer takes physical possession of the products, which occurs either at the point of sale for merchandise purchased at the Company's own retail stores and shop-within-shop locations, or upon receipt of shipment for merchandise ordered through direct-to-consumer digital commerce sites. Such revenues are recorded net of estimated returns based on historical trends. Payment is due at the point of sale.

Gift cards purchased by customers are recorded as a liability until they are redeemed for products sold by the Company's retail business, at which point revenue is recognized. The Company also estimates and recognizes revenue for gift card balances not expected to ever be redeemed (referred to as "breakage") to the extent that it does not have a legal obligation to remit the value of such unredeemed gift cards to the relevant jurisdiction as unclaimed or abandoned property. Such estimates are based upon historical redemption trends, with breakage income recognized in proportion to the pattern of actual customer redemptions.

Revenue from the Company's wholesale business is generally recognized upon shipment of products, at which point title passes and risk of loss is transferred to the customer. In certain arrangements where the Company retains the risk of loss during shipment, revenue is recognized upon receipt of products by the customer. Wholesale revenue is recorded net of estimates of returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances. Returns and allowances require pre-approval from management and discounts are based on trade terms. Estimates for end-of-season markdown reserves are based on historical trends, actual and forecasted seasonal results, an evaluation of current economic and market conditions, retailer performance, and, in certain cases, contractual terms. Estimates for operational chargebacks are based on actual customer notifications of order fulfillment discrepancies and historical trends. The Company reviews and refines these estimates on at least a quarterly basis. The Company's historical estimates of these amounts have not differed materially from actual results.

Revenue from the Company's licensing arrangements is recognized over time during the period that licensees are provided access to the Company's trademarks (i.e., symbolic intellectual property) and benefit from such access through their own sales of licensed products. These arrangements require licensees to pay a sales-based royalty, which for most arrangements, may be subject to a contractually-guaranteed minimum royalty amount. Payments are generally due quarterly and, depending on time of receipt, may be recorded as a liability until recognized as revenue. The Company recognizes revenue for sales-based royalty arrangements (including those for which the royalty exceeds any contractually-guaranteed minimum royalty amount) as licensed products are sold by the licensee. If a sales-based royalty is not ultimately expected to exceed a contractually-guaranteed minimum royalty amount, the minimum is generally recognized as revenue ratably over the respective contractual period. This sales-based output measure of progress and pattern of recognition best represents the value transferred to the licensee over the term of the arrangement, as well as the amount of consideration that the Company is entitled to receive in exchange for providing access to its trademarks. As of April 2, 2022, contractually-guaranteed minimum royalty amounts expected to be recognized as revenue during future periods were as follows:

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	Contractually-Guaranteed Minimum Royalties <sup>(a)</sup> (millions)
Fiscal 2023	\$ 105.6
Fiscal 2024	76.3
Fiscal 2025	42.7
Fiscal 2026	23.6
Fiscal 2027	19.2
Fiscal 2028 and thereafter	9.2
Total	\$ 276.6

<sup>(a)</sup> Amounts presented do not contemplate potential contract renewals or royalties earned in excess of the contractually-guaranteed minimums.

*Disaggregated Net Revenues*

The following tables disaggregate the Company's net revenues into categories that depict how the nature, amount, timing, and uncertainty of revenues and cash flows are affected by economic factors for the fiscal periods presented:

Sales Channel <sup>(a)</sup> :	Fiscal Year Ended						(millions)	
	April 2, 2022							
	North America	Europe	Asia	Other	Total			
Retail	\$ 1,878.6	\$ 828.3	\$ 1,207.4	\$ 27.2	\$ 3,941.5			
Wholesale	1,089.6	952.4	79.4	5.9	2,127.3			
Licensing	—	—	—	149.7	149.7			
<b>Total</b>	<b>\$ 2,968.2</b>	<b>\$ 1,780.7</b>	<b>\$ 1,286.8</b>	<b>\$ 182.8</b>	<b>\$ 6,218.5</b>			

Sales Channel <sup>(a)</sup> :	Fiscal Year Ended						(millions)	
	March 27, 2021							
	North America	Europe	Asia	Other	Total			
Retail	\$ 1,214.1	\$ 517.1	\$ 968.4	\$ 80.2	\$ 2,779.8			
Wholesale	778.3	648.8	59.1	12.4	1,498.6			
Licensing	—	—	—	122.4	122.4			
<b>Total</b>	<b>\$ 1,992.4</b>	<b>\$ 1,165.9</b>	<b>\$ 1,027.5</b>	<b>\$ 215.0</b>	<b>\$ 4,400.8</b>			

Sales Channel <sup>(a)</sup> :	Fiscal Year Ended						(millions)	
	March 28, 2020							
	North America	Europe	Asia	Other	Total			
Retail	\$ 1,727.3	\$ 874.6	\$ 948.0	\$ 191.0	\$ 3,740.9			
Wholesale	1,413.2	757.6	69.2	10.8	2,250.8			
Licensing	—	—	—	168.1	168.1			
<b>Total</b>	<b>\$ 3,140.5</b>	<b>\$ 1,632.2</b>	<b>\$ 1,017.2</b>	<b>\$ 369.9</b>	<b>\$ 6,159.8</b>			

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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<sup>(a)</sup> Net revenues from the Company's retail and wholesale businesses are recognized at a point in time. Net revenues from the Company's licensing business are recognized over time.

*Deferred Income*

Deferred income represents cash payments received in advance of the Company's transfer of control of products or services to its customers and generally consists of unredeemed gift cards (net of breakage) and advance royalty payments from licensees. The Company's deferred income balances were \$16.6 million and \$12.1 million as of April 2, 2022 and March 27, 2021, respectively, and were primarily recorded within accrued expenses and other current liabilities within the consolidated balance sheets. The majority of the deferred income balance as of April 2, 2022 is expected to be recognized as revenue within the next twelve months.

*Cost of Goods Sold and Selling Expenses*

Cost of goods sold includes the amounts incurred to acquire and produce inventory for sale to the Company's customers, including product costs, freight-in, and import costs, as well as changes in reserves for shrinkage and inventory realizability. Gains and losses associated with forward foreign currency exchange contracts that are designated and qualifying as cash flow hedges of inventory transactions are also recognized within cost of goods sold when the hedged inventory is sold. The costs of selling merchandise, including those associated with preparing merchandise for sale, such as picking, packing, warehousing, and order charges ("handling costs"), are included in selling, general, and administrative ("SG&A") expenses in the consolidated statements of operations.

*Shipping and Handling Costs*

Costs associated with shipping goods to customers are accounted for as fulfillment activities and reflected as SG&A expenses in the consolidated statements of operations. Shipping and handling costs (described above) billed to customers are included in revenue. A summary of shipping and handling costs recognized during the fiscal periods presented is as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
Shipping costs	\$ 73.0	\$ 54.8	\$ 46.7
Handling costs	151.8	138.3	154.0

*Advertising and Marketing Costs*

Advertising costs, including the costs to produce advertising, are expensed when the advertisement is first exhibited. Advertising costs paid to wholesale customers under cooperative advertising programs are not included in advertising costs, but rather are reflected as a reduction of revenue since generally the benefits are not sufficiently separable from the purchases of the Company's products by customers. Costs associated with the marketing and promotion of the Company's products are included within SG&A expenses.

Advertising and marketing expenses were \$456.3 million, \$265.0 million, and \$278.0 million in Fiscal 2022, Fiscal 2021, and Fiscal 2020, respectively. Deferred advertising, marketing, and promotional costs, which principally relate to advertisements that have not yet been exhibited or payments made for services that have not yet been received, were \$7.9 million and \$9.5 million at the end of Fiscal 2022 and Fiscal 2021, respectively, and were recorded within prepaid expenses and other current assets in the consolidated balance sheets.

*Foreign Currency Translation and Transactions*

The financial position and operating results of the Company's foreign operations are accounted for in their respective functional currencies, which are generally consistent with the local currency. For purposes of consolidation, local currency assets and liabilities are translated to U.S. Dollars at the spot rates of exchange prevailing on the balance sheet date, and local currency revenues and expenses are translated to U.S. Dollars at average rates of exchange in effect during the period. The

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

resulting translation gains or losses are included in the consolidated statements of comprehensive income (loss) as a component of other comprehensive income (loss) ("OCI") and in the consolidated statements of equity within accumulated other comprehensive income (loss) ("AOCI"). Gains and losses on the translation of intercompany loans made to foreign subsidiaries that are of a long-term investment nature are also included within this component of equity.

The Company also recognizes gains and losses on both third-party and intercompany balances that are denominated in a currency other than the respective entity's functional currency. Such foreign currency transactional gains and losses are recognized within other income (expense), net in the consolidated statements of operations, inclusive of the effects of any related hedging activities, and reflected net gains of \$2.8 million and \$8.7 million in Fiscal 2022 and Fiscal 2021, respectively, and a net loss of \$1.1 million in Fiscal 2020.

***Comprehensive Income (Loss)***

Comprehensive income (loss), which is reported in the consolidated statements of comprehensive income (loss) and consolidated statements of equity, consists of net income (loss) and certain other gains and losses affecting equity that, under U.S. GAAP, are excluded from net income (loss) and referred to as OCI. Components of OCI consist of foreign currency translation gains (losses); net realized and unrealized gains (losses) on cash flow hedges, such as forward foreign currency exchange contracts; net realized and unrealized gains (losses) on available-for-sale investments; and net realized and unrealized gains (losses) related to the Company's defined benefit plans.

***Net Income (Loss) per Common Share***

Basic net income (loss) per common share is computed by dividing net income (loss) attributable to common shares by the weighted-average number of common shares outstanding during the period. Weighted-average common shares include shares of the Company's Class A and Class B common stock. Diluted net income (loss) per common share adjusts basic net income (loss) per common share for the dilutive effects of outstanding restricted stock units ("RSUs"), stock options, and any other potentially dilutive instruments, only for the periods in which such effects are dilutive.

The weighted-average number of common shares outstanding used to calculate basic net income (loss) per common share is reconciled to shares used to calculate diluted net income (loss) per common share as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
Basic shares	73.0	73.5	75.8
Dilutive effect of RSUs and stock options	1.3	— (a)	1.4
<b>Diluted shares</b>	<b>74.3</b>	<b>73.5</b>	<b>77.2</b>

(a) Incremental shares of 1.2 million attributable to outstanding RSUs were excluded from the computation of diluted shares for Fiscal 2021 as such shares would not be dilutive given the net loss incurred during that fiscal year.

All earnings per share amounts have been calculated using unrounded numbers. The Company has outstanding performance-based RSUs, which are included in the computation of diluted shares only to the extent that the underlying performance conditions (i) have been satisfied as of the end of the reporting period or (ii) would be considered satisfied if the end of the reporting period were the end of the related contingency period and the result would be dilutive. In addition, options to purchase shares of the Company's Class A common stock at an exercise price greater than the average market price of such common stock during the reporting period are anti-dilutive and therefore not included in the computation of diluted net income (loss) per common share. As of the end of Fiscal 2022, Fiscal 2021, and Fiscal 2020, there were 0.1 million, 0.4 million, and 0.8 million, respectively, of additional shares issuable contingent upon vesting of performance-based RSUs and upon exercise of anti-dilutive stock options that were excluded from the diluted shares calculations.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

***Stock-Based Compensation***

The Company recognizes expense for all stock-based compensation awards granted to employees and non-employee directors based on the grant date fair value of the awards over the requisite service period, adjusted for forfeitures which are estimated based on an analysis of historical experience and expected future trends. The grant date fair values of service-based RSUs and performance-based RSUs are determined based on the fair value of the Company's Class A common stock on the date of grant, adjusted to reflect the absence of dividends for any awards for which dividend equivalent amounts do not accrue while outstanding and unvested. The grant date fair value of the Company's market-based RSU awards, for which vesting is dependent upon total shareholder return ("TSR") of its Class A common stock over a three-year performance period relative to that of a pre-established peer group, is estimated using a Monte Carlo simulation model. The Company uses the Black-Scholes valuation model to estimate the grant date fair value of any stock option awards.

Compensation expense for all performance-based RSUs is recognized over the requisite service period when attainment of the performance goal is deemed probable, net of estimated forfeitures. Compensation expense for market-based RSUs, net of estimated forfeitures, is recognized over the requisite service period regardless of whether, and the extent to which, the market condition is ultimately satisfied. The Company recognizes compensation expense on an accelerated basis for all awards with graded vesting terms, including certain RSUs, restricted stock, and stock options. For RSU awards with cliff vesting terms, compensation expense is recognized on a straight-line basis. For certain RSU awards granted to retirement-eligible employees, or employees who will become retirement-eligible prior to the end of the awards' respective stated vesting periods, the related compensation expense is recognized on an accelerated basis over a term commensurate with the period that the employee is required to provide service in order to vest in the award. See Note 18 for further discussion of the Company's stock-based compensation plans.

***Cash and Cash Equivalents***

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less, including investments in time deposits and debt securities. Investments in debt securities are diversified across high-credit quality issuers in accordance with the Company's risk-management policies.

***Restricted Cash***

The Company is periodically required to place cash in escrow with various banks as collateral, primarily to secure guarantees of corresponding amounts made by the banks to international tax authorities on behalf of the Company, such as to secure refunds of value-added tax payments in certain international tax jurisdictions or in the case of certain international tax audits, as well as to secure guarantees related to certain real estate leases. Such cash is classified as restricted cash and reported as a component of either prepaid expenses and other current assets or other non-current assets in the consolidated balance sheets.

***Investments***

The Company's investment objectives include capital preservation, maintaining adequate liquidity, diversification to minimize liquidity and credit risk, and achievement of maximum returns within the guidelines set forth in the Company's investment policy.

Short-term investments consist of investments which the Company expects to convert into cash within one year, including any time deposits and debt securities with original maturities greater than 90 days. See Note 13 for further information relating to the composition of the Company's short-term investments.

The Company classifies such investments as available-for-sale. Accordingly, they are recorded at fair value with any related unrealized gains or losses generally recognized as a component of AOCI in the consolidated balance sheets, and related realized gains or losses (or unrealized credit-related impairment losses, if any) recorded within other income (expense), net, in the consolidated statements of operations. Cash inflows and outflows related to the sale and purchase of investments are classified as investing activities in the consolidated statements of cash flows.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*Equity-method and Other Investments*

Ownership interests that provide the Company with significant influence, but less than a controlling interest, over an investee are generally accounted for using the equity method of accounting. Significant influence is generally presumed to exist when the Company owns between 20% and 50% of the investee's common stock. Ownership interests that do not provide significant influence and for which the underlying equity security's fair value is not readily determinable are generally recorded at cost less impairment, if any, adjusted for observable price changes in orderly transactions for identical or similar investments of the same investee, with such adjustments recognized within other income (expense), net, in the consolidated statements of operations.

Under the equity method of accounting, the following amounts are generally recorded in the Company's consolidated financial statements: the Company's original investment, as subsequently adjusted for its share of the investee's earnings (losses) and reduced by any dividends received and other-than-temporary impairments recorded, is included in the consolidated balance sheets; the Company's share of the investee's periodic earnings (losses) is included in the consolidated statements of operations; and dividends and other cash distributions received from the investee and additional cash investments made in or other cash paid to the investee are included in the consolidated statements of cash flows. The Company's share of equity-method investee earnings and losses is recognized within other income (expense), net, in the consolidated statements of operations and was not material in any of the fiscal years presented.

These investments are recorded within other non-current assets in the consolidated balance sheets.

*Impairment Assessment*

The Company evaluates the need to recognize impairment charges for its investments that are in unrealized loss positions, if any, and its other equity investments on a quarterly basis (see Note 12). Such evaluation involves a variety of considerations, including assessments of the risks and uncertainties associated with general economic conditions and distinct conditions affecting specific issuers or investees. Factors considered by the Company include (i) the financial condition, creditworthiness, and near-term prospects of the issuer or investee; (ii) future economic conditions and market forecasts; (iii) the length of time to maturity, if applicable, and an assessment of whether it is more likely than not that the Company will be required to sell its investment before recovery of market value; and (iv) whether events or changes in circumstances indicate that the investment's carrying amount might not be recoverable.

During Fiscal 2020, the Company recorded a \$7.1 million impairment charge within other income (expense), net in the consolidated statements of operations related to an equity method investment (see Note 8).

*Accounts Receivable*

In the normal course of business, the Company extends credit to wholesale customers that satisfy certain defined credit criteria. Payment is generally due within 30 to 120 days and does not involve a significant financing component. Accounts receivable are recorded at amortized cost, which approximates fair value, and are presented in the consolidated balance sheets net of certain reserves and allowances. These reserves and allowances consist of (i) reserves for returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances (see the "Revenue Recognition" section above for further discussion of related accounting policies) and (ii) allowances for doubtful accounts.

A rollforward of the activity in the Company's reserves for returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances is presented as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
Beginning reserve balance	\$ 173.7	\$ 204.7	\$ 176.5
Amount charged against revenue to increase reserve	407.7	280.1	580.1
Amount credited against customer accounts to decrease reserve	(392.9)	(317.4)	(550.3)
Foreign currency translation	(7.8)	6.3	(1.6)
<b>Ending reserve balance</b>	<b>\$ 180.7</b>	<b>\$ 173.7</b>	<b>\$ 204.7</b>

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

An allowance for doubtful accounts is determined through analysis of accounts receivable aging, assessments of collectability based on evaluation of historical trends, the financial condition of the Company's customers and their ability to withstand prolonged periods of adverse economic conditions, and evaluation of the impact of current and forecasted economic and market conditions over the related asset's contractual life, such as those resulting from COVID-19 business disruptions which have included declines in retail traffic, tourism, and consumer spending on discretionary items.

A rollforward of the activity in the Company's allowance for doubtful accounts is presented as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
Beginning reserve balance	\$ 40.1	\$ 71.5	\$ 15.7
Amount recorded to expense to increase (decrease) reserve <sup>(a)</sup>	(2.2)	(27.6)	58.7
Amount written-off against customer accounts to decrease reserve	(2.8)	(6.1)	(2.6)
Foreign currency translation	(1.1)	2.3	(0.3)
Ending reserve balance	\$ 34.0	\$ 40.1	\$ 71.5

<sup>(a)</sup> Amounts recorded to bad debt expense are included within SG&A expenses in the consolidated statements of operations.

*Concentration of Credit Risk*

The Company sells its wholesale merchandise primarily to major department stores, specialty stores, and third-party digital partners around the world, and extends credit based on an evaluation of each customer's financial capacity and condition, usually without requiring collateral. In the Company's wholesale business, concentration of credit risk is relatively limited due to the large number of customers and their dispersion across many geographic areas. However, the Company has three key wholesale customers that generate significant sales volume. During Fiscal 2022, the Company's sales to its three largest wholesale customers accounted for approximately 16% of total net revenues. Substantially all of the Company's sales to its three largest wholesale customers related to its North America segment. As of April 2, 2022, these three key wholesale customers accounted for approximately 31% of total gross accounts receivable.

*Inventories*

The Company holds inventory that is sold in its retail stores and digital commerce sites directly to consumers. The Company also holds inventory that is to be sold through wholesale distribution channels to major department stores, specialty stores, and third-party digital partners. Substantially all of the Company's inventories consist of finished goods, which are stated at the lower of cost or estimated realizable value, with cost determined on a weighted-average cost basis.

The estimated realizable value of inventory is determined based on an analysis of historical sales trends of the Company's individual product lines, the impact of market trends and economic conditions (such as those resulting from pandemic diseases and other catastrophic events), and a forecast of future demand, giving consideration to the value of current in-house orders for future sales of inventory, as well as plans to sell inventory through the Company's factory stores, among other liquidation channels. Actual results may differ from estimates due to the quantity, quality, and mix of products in inventory, consumer and retailer preferences, and actual economic and market conditions. In addition, reserves for inventory shrinkage, representing the risk of physical loss of inventory, are estimated based on historical experience and are adjusted based upon physical inventory counts. The Company's historical estimates of the realizable value of its inventory and its reserves for inventory shrinkage have not differed materially from actual results. However, unforeseen adverse future economic and market conditions could result in the Company's actual results differing materially from its estimates.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

***Implementation Costs Incurred in Cloud Computing Arrangements***

For cloud computing arrangements that are a service contract, the Company capitalizes certain implementation costs incurred (depending on their nature) during the application development stage of the related project, and expenses costs during the preliminary project and post-implementation stages as they are incurred. Capitalized implementation costs are expensed on a straight-line basis over the reasonably certain term of the hosting arrangement, beginning when the module is ready for its intended use. The Company's cloud computing arrangements relate to various areas, including certain retail store and digital commerce operations, and corporate and administrative functions. Capitalized amounts related to such arrangements are recorded within prepaid expenses and other current assets and within other non-current assets in the consolidated balance sheets (see Note 7). Capitalized implementation costs expensed were \$9.2 million, \$8.4 million, and \$4.3 million during Fiscal 2022, Fiscal 2021, and Fiscal 2020, respectively, and were recorded in SG&A expenses in the consolidated statements of operations.

***Property and Equipment, Net***

Property and equipment, net is stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis, based upon the estimated useful lives of depreciable assets, which range from three to seven years for furniture and fixtures, machinery and equipment, and capitalized software; and from ten to forty years for buildings and improvements. Leasehold improvements are depreciated over the shorter of the estimated useful lives of the respective assets or the term of the related lease.

Property and equipment, along with other long-lived assets, are evaluated for impairment periodically whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable (see Note 12). In evaluating long-lived assets for recoverability, including finite-lived intangibles as described below, the Company uses its best estimate of future cash flows expected to result from its use of the asset and its eventual disposition, where applicable. If such estimated future undiscounted net cash flows attributable to the asset are less than its carrying value, an impairment loss is recognized to the extent that such asset's carrying value exceeds its fair value, as estimated considering external market participant assumptions and discounted cash flows. Assets to be disposed of and for which there is a committed plan of disposal (commonly referred to as assets held-for-sale) are reported at the lower of carrying value or fair value, less costs to sell.

***Leases***

The Company's lease arrangements primarily relate to real estate, including its retail stores, concession-based shop-within-shops, corporate offices, and warehouse facilities and, to a lesser extent, certain equipment and other assets. The Company's leases generally have initial terms ranging from three to fifteen years and may include renewal or early-termination options, rent escalation clauses, and/or lease incentives in the form of construction allowances and rent abatements. The Company is typically required to make fixed minimum rent payments, variable rent payments based on performance (e.g., percentage-of-sales-based payments), or a combination thereof, relating to its right to use an underlying leased asset. The Company is also often required to pay for certain other costs that do not relate specifically to its right to use an underlying leased asset, but that are associated with the asset, including real estate taxes, insurance, common area maintenance fees, and/or certain other costs (referred to collectively herein as "non-lease components"), which may be fixed or variable in amount, depending on the terms of the respective lease agreement. The Company's leases do not contain significantly restrictive covenants or residual value guarantees.

The Company determines whether an arrangement contains a lease at the arrangement's inception. If a lease is determined to exist, its related term is assessed at the lease commencement date, once the underlying asset is made available by the lessor for the Company's use. The Company's assessment of the lease term reflects the non-cancellable period of the lease, inclusive of any rent-free periods, plus any periods covered by early-termination options for which the Company is not considered reasonably certain of exercising, as well as periods covered by renewal options for which it is considered reasonably certain of exercising. The Company also determines lease classification as either *operating* or *finance* at lease commencement, which governs the pattern of expense recognition and the presentation thereof in the consolidated statements of operations over the lease term.

For leases with a lease term exceeding 12 months, a liability is recorded on the consolidated balance sheet at the lease commencement date reflecting the present value of its related fixed payment obligations over such term. A corresponding right-of-use ("ROU") asset equal to the initial lease liability is also recorded, increased by any prepaid rent and/or initial direct costs incurred in connection with execution of the lease, and reduced by any incentives provided by the lessor. The Company also includes fixed payment obligations related to non-lease components in the measurement of its ROU assets and lease liabilities.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

given its election to account for lease and non-lease components together as a single lease component. Variable lease payments are not included in the measurement of ROU assets and lease liabilities. ROU assets associated with finance leases are presented separately from those associated with operating leases, and are included within property and equipment, net on the consolidated balance sheet. For purposes of measuring the present value of its fixed payment obligations for a given lease, the Company uses its incremental borrowing rate, determined based on information available at lease commencement, given that rates implicit in its leasing arrangements are not readily determinable. The Company's incremental borrowing rate reflects the rate it would pay to borrow on a secured basis an amount equal to the lease payments and incorporates the term and economic environment of the lease.

For operating leases, fixed lease payments are recognized as operating lease cost on a straight-line basis over the lease term. For finance leases, the initial ROU asset is depreciated on a straight-line basis over the lease term, along with recognition of interest expense associated with accretion of the remaining lease liability, which is ultimately reduced by the related fixed payments as they are made. For leases with a lease term of 12 months or less (referred to as a "short-term lease"), any fixed lease payments are recognized on a straight-line basis over such term and are not recognized on the consolidated balance sheet. For all leases, variable lease cost, if any, is recognized as incurred.

ROU assets, along with any related long-lived assets, are periodically evaluated for impairment whenever events or circumstances indicate that their carrying values may not be fully recoverable (see Note 12). To the extent that such assets are ultimately determined to be impaired, they are written down accordingly on a relative carrying amount basis, with the ROU asset written down to an amount no lower than its estimated fair value. Subsequent to the recognition of any such impairment, total remaining lease cost is recognized on a front-loaded basis over the remaining lease term.

See Note 14 for further discussion of the Company's leases.

***Goodwill and Other Intangible Assets***

At acquisition, the Company estimates and records the fair value of purchased intangible assets, which typically consist of reacquired license agreements, customer relationships, non-compete agreements, and/or order backlog. The fair values of these intangible assets are estimated based on management's assessment, considering independent third-party appraisals when necessary. The excess of the purchase consideration over the fair value of net assets acquired, both tangible and intangible, is recorded as goodwill. Goodwill and certain other intangible assets deemed to have indefinite useful lives are not amortized. Rather, goodwill and such indefinite-lived intangible assets are assessed for impairment at least annually. The Company generally performs its annual goodwill and indefinite-lived intangible assets impairment analyses using a qualitative approach to determine whether it is more likely than not that the fair values of such assets are less than their respective carrying values. If, based on the results of the qualitative assessment, it is concluded that it is not more likely than not that the fair value of the asset exceeds its carrying value, a quantitative test is performed. Under the quantitative test, if the carrying value of the asset exceeds its fair value, an impairment loss is recognized in the amount of the excess. The Company also periodically performs a quantitative test to assess its goodwill for impairment in lieu of using the qualitative approach in order to reassess the fair values of its reporting units.

Finite-lived intangible assets are amortized over their respective estimated useful lives and, along with other long-lived assets as noted above, are evaluated for impairment periodically whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable. See discussion of the Company's accounting policy for long-lived asset impairment as previously described under the caption "*Property and Equipment, Net.*"

***Income Taxes***

Income taxes are provided using the asset and liability method. Under this method, income taxes (i.e., deferred tax assets and liabilities, current taxes payable/refunds receivable, and tax expense) are recorded based on amounts refundable or payable in the current year and include the results of any difference between U.S. GAAP and tax reporting. Deferred income taxes reflect the tax effect of certain net operating losses, capital losses, general business credit carryforwards, and the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, as determined under enacted tax laws and rates. The Company accounts for the financial effect of changes in tax laws or rates in the period of enactment.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

In addition, valuation allowances are established when management determines that it is more likely than not that some portion or all of a deferred tax asset will not be realized. Tax valuation allowances are analyzed periodically and adjusted as events occur or circumstances change that warrant adjustments.

In determining the income tax benefit (provision) for financial reporting purposes, the Company establishes a reserve for uncertain tax positions. If the Company considers that a tax position is more likely than not of being sustained upon audit, based solely on the technical merits of the position, it recognizes the tax benefit. The Company measures the tax benefit by determining the largest amount that is greater than 50% likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. These assessments can be complex and the Company often obtains assistance from external advisors. To the extent that the Company's estimates change or the final tax outcome of these matters is different than the amounts recorded, such differences will impact the income tax benefit (provision) in the period in which such determinations are made. If the initial assessment fails to result in the recognition of a tax benefit, the Company regularly monitors its position and subsequently recognizes the tax benefit if (i) there are changes in tax law or analogous case law that sufficiently raise the likelihood of prevailing on the technical merits of the position to more likely than not; (ii) the statute of limitations expires; or (iii) there is a completion of an audit resulting in a settlement of that tax year with the appropriate agency. Uncertain tax positions are classified as current only when the Company expects to pay cash within the next twelve months. Interest and penalties are recorded within the income tax benefit (provision) in the consolidated statements of operations and are classified on the consolidated balance sheets together with the related liability for unrecognized tax benefits.

The Company accounts for the minimum tax on global intangible low-taxed income ("GILTI") in the period in which it is incurred.

See Note 10 for further discussion of the Company's income taxes.

***Derivative Financial Instruments***

The Company records derivative financial instruments on its consolidated balance sheets at fair value. Changes in the fair value of derivative instruments that are designated and qualify for hedge accounting are either (i) offset through earnings against the changes in fair value of the related hedged assets, liabilities, or firm commitments or (ii) recognized in equity as a component of AOCI until the hedged item is recognized in earnings, depending on whether the instrument is hedging against changes in fair value or cash flows and net investments, respectively.

Each derivative instrument that qualifies for hedge accounting is expected to be highly effective in offsetting the risk associated with the related exposure. For each instrument that is designated as a hedge, the Company documents the related risk management objective and strategy, including identification of the hedging instrument, the hedged item, and the risk exposure, as well as how hedge effectiveness will be assessed over the instrument's term. To assess hedge effectiveness at the inception of a hedging relationship, the Company generally uses regression analysis, a statistical method, to evaluate how changes in the fair value of the derivative instrument are expected to offset changes in the fair value or cash flows of the related hedged item. The extent to which a hedging instrument has been and is expected to remain highly effective in achieving offsetting changes in fair value or cash flows is assessed by the Company on at least a quarterly basis.

Given its use of derivative instruments, the Company is exposed to the risk that counterparties to such contracts will fail to meet their contractual obligations. To mitigate such counterparty credit risk, the Company's policy is to only enter into contracts with carefully selected financial institutions based upon an evaluation of their credit ratings and certain other factors, adhering to established limits for credit exposure. The Company's established policies and procedures for mitigating credit risk include ongoing review and assessment of its counterparties' creditworthiness. The Company also enters into master netting arrangements with counterparties, when possible, to further mitigate credit risk. In the event of default or termination, these arrangements allow the Company to net-settle amounts payable and receivable related to multiple derivative transactions with the same counterparty. The master netting arrangements specify a number of events of default and termination, including the failure to make timely payments.

The fair values of the Company's derivative instruments are recorded on its consolidated balance sheets on a gross basis. For cash flow reporting purposes, proceeds received or amounts paid upon the settlement of a derivative instrument are classified in the same manner as the related item being hedged, primarily within cash flows from operating activities for its forward foreign exchange contracts and within cash flows from investing activities for its cross-currency swap contracts, both as discussed below.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*Cash Flow Hedges*

The Company uses forward foreign currency exchange contracts to mitigate its risk related to exchange rate fluctuations on inventory transactions made in an entity's non-functional currency. To the extent designated as cash flow hedges, related gains or losses on such instruments are initially deferred in equity as a component of AOCI and are subsequently recognized within cost of goods sold in the consolidated statements of operations when the related inventory is sold.

If a derivative instrument is redesignated or if hedge accounting is discontinued because the instrument is not expected to be highly effective in hedging the designated exposure, any further gains (losses) are recognized in earnings each period within other income (expense), net. Upon discontinuance of hedge accounting, the cumulative change in fair value of the derivative instrument recorded in AOCI is recognized in earnings when the related hedged item affects earnings, consistent with the hedging strategy, unless the related forecasted transaction is probable of not occurring, in which case the accumulated amount is immediately recognized within other income (expense), net.

*Hedges of Net Investments in Foreign Operations*

The Company periodically uses cross-currency swap contracts to reduce risk associated with exchange rate fluctuations on certain of its net investments in foreign subsidiaries. Changes in the fair values of such derivative instruments that are designated as hedges of net investments in foreign operations are recorded in equity as a component of AOCI in the same manner as foreign currency translation adjustments. In assessing the effectiveness of such hedges, the Company uses a method based on changes in spot rates to measure the impact of foreign currency exchange rate fluctuations on both its foreign subsidiary net investment and the related hedging instrument. Under this method, changes in the fair value of the hedging instrument other than those due to changes in the spot rate are initially recorded in AOCI as a translation adjustment and are amortized into earnings as interest expense using a systematic and rational method over the instrument's term. Changes in fair value associated with the effective portion (i.e., those due to changes in the spot rate) are recorded in AOCI as a translation adjustment and are released and recognized in earnings only upon the sale or liquidation of the hedged net investment.

*Undesignated Hedges*

The Company uses undesignated hedges primarily to hedge foreign currency exchange rate risk related to third-party and intercompany balances and exposures. Changes in the fair values of such instruments are recognized in earnings each period within other income (expense), net.

See Note 13 for further discussion of the Company's derivative financial instruments.

**4. Recently Issued Accounting Standards**

*Reference Rate Reform*

In March 2020 and January 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-04, "Facilitation of the Effects of Reference Rate Reform on Financial Reporting" ("ASU 2020-04") and ASU No. 2021-01, "Reference Rate Reform: Scope" ("ASU 2021-01"), respectively. Together, ASU 2020-04 and ASU 2021-01 provide temporary optional expedients and exceptions for the application of U.S. GAAP, if certain criteria are met, to contract modifications, hedging relationships, and other arrangements that are expected to be impacted by the global transition away from certain reference rates, such as the London Interbank Offered Rate ("LIBOR") and other interbank offered rates, towards new reference rates, such as the Secured Overnight Financing Rate ("SOFR"). The guidance in ASU 2020-04 and ASU 2021-01 was effective upon issuance and, once adopted, may be applied prospectively to contract modifications and hedging relationships through December 31, 2022. The Company is evaluating the impact that the guidance will have on its consolidated financial statements and related disclosures, if adopted, and currently does not expect that it would be material.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**5. Property and Equipment**

Property and equipment, net consists of the following:

	April 2, 2022	March 27, 2021
	(millions)	
Land and improvements	\$ 15.3	\$ 15.3
Buildings and improvements	480.4	492.8
Furniture and fixtures	589.6	608.9
Machinery and equipment	375.7	391.8
Capitalized software	532.1	555.2
Leasehold improvements	1,170.1	1,207.2
Construction in progress	55.4	34.5
	3,218.6	3,305.7
Less: accumulated depreciation	(2,249.1)	(2,291.7)
Property and equipment, net	\$ 969.5	\$ 1,014.0

Property and equipment, net includes finance lease ROU assets, which are reflected in the table above based on their nature.

Depreciation expense was \$211.8 million, \$227.4 million, and \$246.6 million during Fiscal 2022, Fiscal 2021, and Fiscal 2020, respectively, and was recorded primarily within SG&A expenses in the consolidated statements of operations.

**6. Goodwill and Other Intangible Assets**

*Goodwill*

The following table details the changes in goodwill for each of the Company's segments during Fiscal 2022 and Fiscal 2021:

	North America	Europe	Asia	Other Non-reportable Segments	Total
	(millions)				
Balance at March 28, 2020	\$ 421.8	\$ 285.1	\$ 76.6	\$ 132.0	\$ 915.5
Foreign currency translation	—	18.9	0.2	—	19.1
Balance at March 27, 2021	421.8	304.0	76.8	132.0	934.6
Foreign currency translation	—	(18.0)	(7.9)	—	(25.9)
Balance at April 2, 2022	\$ 421.8	\$ 286.0	\$ 68.9	\$ 132.0	\$ 908.7

Based on the results of the Company's goodwill impairment testing in Fiscal 2022, Fiscal 2021, and Fiscal 2020, no goodwill impairment charges were recorded. See Note 12 for further discussion of the Company's goodwill impairment testing.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

***Other Intangible Assets***

Other intangible assets consist of the following:

	April 2, 2022			March 27, 2021		
	Gross Carrying Amount	Accum. Amort.	Net	Gross Carrying Amount	Accum. Amort.	Net
	(millions)					
<i>Intangible assets subject to amortization:</i>						
Re-acquired licensed trademarks	\$ 228.6	\$ (168.8)	\$ 59.8	\$ 231.7	\$ (163.6)	\$ 68.1
Customer relationships	245.8	(212.3)	33.5	254.3	(211.0)	43.3
Other	10.1	(7.8)	2.3	10.1	(7.7)	2.4
Total intangible assets subject to amortization	<b>484.5</b>	<b>(388.9)</b>	<b>95.6</b>	<b>496.1</b>	<b>(382.3)</b>	<b>113.8</b>
<i>Intangible assets not subject to amortization:</i>						
Trademarks and brands	7.3	N/A	7.3	7.3	N/A	7.3
Total intangible assets	<b>\$ 491.8</b>	<b>\$ (388.9)</b>	<b>\$ 102.9</b>	<b>\$ 503.4</b>	<b>\$ (382.3)</b>	<b>\$ 121.1</b>

***Amortization Expense***

Amortization expense was \$17.9 million, \$20.2 million, and \$22.9 million during Fiscal 2022, Fiscal 2021, and Fiscal 2020, respectively, and is recorded within SG&A expenses in the consolidated statements of operations.

Based on the balance of the Company's finite-lived intangible assets subject to amortization as of April 2, 2022, the expected amortization expense for each of the next five fiscal years and thereafter is as follows:

	Amortization Expense (millions)
Fiscal 2023	\$ 14.0
Fiscal 2024	13.2
Fiscal 2025	12.9
Fiscal 2026	10.7
Fiscal 2027	10.0
Fiscal 2028 and thereafter	34.8
<b>Total</b>	<b>\$ 95.6</b>

The expected future amortization expense above reflects weighted-average estimated remaining useful lives of 8.0 years for re-acquired licensed trademarks, 7.5 years for customer relationships, and 7.9 years for the Company's finite-lived intangible assets in total.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**7. Other Assets and Liabilities**

Prepaid expenses and other current assets consist of the following:

	April 2, 2022	March 27, 2021
	(millions)	
Non-trade receivables	\$ 41.4	\$ 28.9
Other taxes receivable	26.2	28.4
Prepaid software maintenance	16.4	12.9
Derivative financial instruments	8.7	5.6
Inventory return asset	8.3	8.3
Prepaid advertising and marketing	7.9	9.5
Prepaid logistic services	6.6	7.1
Tenant allowances receivable	6.1	8.7
Prepaid occupancy expense	6.0	6.7
Cloud computing arrangement implementation costs	4.0	8.2
Prepaid inventory	0.5	5.0
Other prepaid expenses and current assets	40.4	37.3
Total prepaid expenses and other current assets	\$ 172.5	\$ 166.6

Other non-current assets consist of the following:

	April 2, 2022	March 27, 2021
	(millions)	
Security deposits	\$ 30.6	\$ 31.1
Derivative financial instruments	23.7	10.2
Equity method and other investments	12.0	6.3
Cloud computing arrangement implementation costs	9.7	5.3
Restricted cash	6.6	7.5
Deferred rent assets	5.2	3.4
Other non-current assets	23.4	22.6
Total other non-current assets	\$ 111.2	\$ 86.4

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Accrued expenses and other current liabilities consist of the following:

	April 2, 2022	March 27, 2021
	(millions)	
Accrued payroll and benefits	\$ 278.0	\$ 223.6
Accrued inventory	250.2	196.1
Accrued operating expenses	223.4	225.0
Other taxes payable	60.9	64.6
Accrued capital expenditures	49.6	21.3
Dividends payable	48.1	—
Restructuring reserve	30.8	99.8
Finance lease obligations	19.8	19.7
Deferred income	16.5	12.0
Other accrued expenses and current liabilities	14.1	13.3
Total accrued expenses and other current liabilities	\$ 991.4	\$ 875.4

Other non-current liabilities consist of the following:

	April 2, 2022	March 27, 2021
	(millions)	
Deferred lease incentives and obligations	\$ 52.7	\$ 62.4
Derivative financial instruments	18.1	55.1
Deferred tax liabilities	12.5	10.7
Accrued benefits and deferred compensation	12.0	22.4
Other non-current liabilities	36.6	39.7
Total other non-current liabilities	\$ 131.9	\$ 190.3

## 8. Impairment of Assets

During Fiscal 2022, the Company recorded non-cash impairment charges of \$21.3 million to write-down certain long-lived assets in connection with its restructuring plans (see Note 9).

During Fiscal 2021, the Company recorded non-cash impairment charges of \$96.0 million to write-down certain long-lived assets, of which \$69.4 million related to its restructuring plans (see Note 9), \$17.5 million related to underperforming stores identified through its ongoing store portfolio evaluation and adverse impacts associated with COVID-19 business disruptions, and \$9.1 million related to certain previously exited real estate locations for which the related lease agreements had not yet expired.

During Fiscal 2020, the Company recorded non-cash impairment charges of \$31.6 million to write-down certain long-lived assets, of which \$8.7 million related to its restructuring plans (see Note 9) and \$22.9 million related to underperforming stores identified through its ongoing store portfolio evaluation and adverse impacts associated with COVID-19 business disruptions. These charges were recorded within impairment of assets in the consolidated statements of operations. In addition, the Company recorded a \$7.1 million impairment charge within other income (expense), net in the consolidated statements of operations during Fiscal 2020 related to an equity method investment.

See Note 12 for further discussion of these impairment charges recorded during the fiscal years presented.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**9. Restructuring and Other Charges, Net**

A description of significant restructuring and other activities and their related costs is provided below.

***Fiscal 2021 Strategic Realignment Plan***

The Company has undertaken efforts to realign its resources to support future growth and profitability, and to create a sustainable, enhanced cost structure. The key areas of the Company's initiatives underlying these efforts involve evaluation of its: (i) team organizational structures and ways of working; (ii) real estate footprint and related costs across its corporate offices, distribution centers, and direct-to-consumer retail and wholesale doors; and (iii) brand portfolio.

In connection with the first initiative, on September 17, 2020, the Company's Board of Directors approved a restructuring plan (the "Fiscal 2021 Strategic Realignment Plan") to reduce its global workforce. Additionally, during a preliminary review of its store portfolio during the second quarter of Fiscal 2021, the Company made the decision to close its Polo store on Regent Street in London.

Shortly thereafter, on October 29, 2020, the Company announced the planned transition of its Chaps brand to a fully licensed business model, consistent with its long-term brand elevation strategy and in connection with its third initiative. Specifically, the Company entered into a multi-year licensing partnership, which took effect on August 1, 2021 following a transition period, with an affiliate of 5 Star Apparel LLC, a division of the OVED Group, to manufacture, market, and distribute Chaps menswear and womenswear. This agreement is expected to create incremental value for the Company by enabling an even greater focus on elevating its core brands in the marketplace, reducing its direct exposure to the North America department store channel, and setting up Chaps to deliver on its potential with an experienced partner that is focused on nurturing the brand.

Later, on February 3, 2021, the Company's Board of Directors approved additional actions related to its real estate initiative. Specifically, the Company is in the process of further rightsizing and consolidating its global corporate offices to better align with its organizational profile and new ways of working. The Company also has closed, and may continue to close, certain of its stores to improve overall profitability. Additionally, the Company further consolidated its North America distribution centers in order to drive greater efficiencies, improve sustainability, and deliver a better consumer experience.

Finally, on June 26, 2021, in connection with its brand portfolio initiative, the Company sold its former Club Monaco business to Regent, L.P. ("Regent"), a global private equity firm, with no resulting gain or loss on sale realized during the first quarter of Fiscal 2022. Regent acquired Club Monaco's assets and liabilities in exchange for potential future cash consideration payable to the Company, including earn-out payments based on Club Monaco meeting certain defined revenue thresholds over a five-year period. Accordingly, the Company may realize amounts in the future related to the receipt of such contingent consideration (as discussed further below). Additionally, in connection with this divestiture, the Company is providing Regent with certain operational support for a transitional period of approximately one year, varying by functional area.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Actions associated with the Fiscal 2021 Strategic Realignment Plan were substantially completed by the end Fiscal 2022, with certain remaining actions expected to be completed during Fiscal 2023. The Company now expects total charges of up to \$300 million to be incurred in connection with this plan, consisting of cash-related charges of approximately \$180 million and non-cash charges of approximately \$120 million. A summary of the charges recorded in connection with the Fiscal 2021 Strategic Realignment Plan during the fiscal periods presented (inclusive of immaterial other restructuring-related charges previously recorded during the first quarter of Fiscal 2021), as well as the cumulative charges recorded since its inception, is as follows:

	Fiscal Year Ended			Cumulative Charges
	April 2, 2022	March 27, 2021	(millions)	
<b>Cash-related restructuring charges:</b>				
Severance and benefit costs (reversals)	\$ (5.7)	\$ 144.2	\$ 138.5	
Other cash charges	7.7	14.9	22.6	
Total cash-related restructuring charges	<u>2.0</u>	<u>159.1</u>	<u>161.1</u>	
<b>Non-cash charges:</b>				
Impairment of assets (see Note 8)	21.3	69.4	90.7	
Inventory-related charges <sup>(a)</sup>	—	8.3	8.3	
Accelerated stock-based compensation expense <sup>(b)</sup>	2.0	—	2.0	
Total non-cash charges	<u>23.3</u>	<u>77.7</u>	<u>101.0</u>	
Total charges	<u><u>\$ 25.3</u></u>	<u><u>\$ 236.8</u></u>	<u><u>\$ 262.1</u></u>	

<sup>(a)</sup> Inventory-related charges are recorded within cost of goods sold in the consolidated statements of operations.

<sup>(b)</sup> Accelerated stock-based compensation expense, which was recorded within restructuring and other charges, net in the consolidated statements of operations, related to vesting provisions associated with certain separation agreements.

In addition to the charges summarized in the table above, the Company recognized \$4.0 million of income within restructuring and other charges, net in the consolidated statements of operations during Fiscal 2022 primarily related to a certain revenue share clause in its agreement with Regent that entitled it to receive a portion of the sales generated by the Club Monaco business during a four-month business transition period. The Company donated this income to the Ralph Lauren Corporate Foundation, a non-profit, charitable foundation, which resulted in a related offsetting \$4.0 million donation expense recorded within restructuring and other charges, net in the consolidated statements of operations during Fiscal 2022.

A summary of the activity in the restructuring reserve related to the Fiscal 2021 Strategic Realignment Plan is as follows:

	Severance and Benefit Costs	Other Cash Charges	Total
	(millions)		
Balance at March 28, 2020	\$ —	\$ —	\$ —
Additions charged to expense	144.2	14.9	159.1
Cash payments applied against reserve	<u>(48.0)</u>	<u>(11.7)</u>	<u>(59.7)</u>
Balance at March 27, 2021	96.2	3.2	99.4
Additions (reductions) charged to expense	(5.7)	7.7	2.0
Cash payments applied against reserve	<u>(60.5)</u>	<u>(10.8)</u>	<u>(71.3)</u>
Non-cash adjustments	0.6	—	0.6
Balance at April 2, 2022	<u><u>\$ 30.6</u></u>	<u><u>\$ 0.1</u></u>	<u><u>\$ 30.7</u></u>

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Fiscal 2019 Restructuring Plan**

On June 4, 2018, the Company's Board of Directors approved a restructuring plan associated with the Company's strategic objective of operating with discipline to drive sustainable growth (the "Fiscal 2019 Restructuring Plan"). The Fiscal 2019 Restructuring Plan included the following activities: (i) rightsizing and consolidation of the Company's global distribution network and corporate offices; (ii) targeted severance-related actions; and (iii) closure of certain of its stores and shop-within-shops.

Actions associated with the Fiscal 2019 Restructuring Plan are complete and no additional charges are expected to be incurred in connection with this plan. A summary of the charges recorded in connection with the Fiscal 2019 Restructuring Plan during the fiscal period presented, as well as the cumulative charges recorded since its inception, is as follows:

	Fiscal Year Ended		Cumulative Charges (millions)
	March 28, 2020		
<b>Cash-related restructuring charges:</b>			
Severance and benefit costs	\$ 30.1	\$ 90.3	
Lease termination and store closure costs	0.5	2.3	
Other cash charges	3.4	10.8	
Total cash-related restructuring charges	<u>34.0</u>	<u>103.4</u>	
<b>Non-cash charges:</b>			
Impairment of assets (see Note 8)	8.7	19.0	
Inventory-related charges <sup>(a)</sup>	2.2	8.2	
Accelerated stock-based compensation expense <sup>(b)</sup>	3.6	3.6	
Loss on sale of property <sup>(c)</sup>	—	11.6	
Total non-cash charges	<u>14.5</u>	<u>42.4</u>	
Total charges	<u><u>\$ 48.5</u></u>	<u><u>\$ 145.8</u></u>	

<sup>(a)</sup> Inventory-related charges are recorded within cost of goods sold in the consolidated statements of operations.

<sup>(b)</sup> Accelerated stock-based compensation expense, which was recorded within restructuring and other charges, net in the consolidated statements of operations, was recorded in connection with vesting provisions associated with certain separation agreements.

<sup>(c)</sup> Loss on sale of property, which was recorded within restructuring and other charges, net in the consolidated statements of operations, was incurred in connection with the sale of one of the Company's distribution centers in North America. Total cash proceeds from the sale were \$20.0 million.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

A summary of the activity in the restructuring reserve related to the Fiscal 2019 Restructuring Plan is as follows:

	Severance and Benefit Costs	Lease Termination and Store Closure Costs	Other Cash Charges	Total
(millions)				
Balance at March 30, 2019	\$ 41.0	\$ 0.5	\$ 0.1	\$ 41.6
Additions charged to expense	30.1	0.5	3.4	34.0
Cash payments applied against reserve	(47.6)	(0.6)	(2.9)	(51.1)
Non-cash adjustments	—	(0.4)	—	(0.4)
Balance at March 28, 2020	23.5	—	0.6	24.1
Additions charged to expense	—	—	—	—
Cash payments applied against reserve	(20.8)	—	(0.6)	(21.4)
Balance at March 27, 2021	2.7	—	—	2.7
Additions charged to expense	—	—	—	—
Cash payments applied against reserve	(2.5)	—	—	(2.5)
Balance at April 2, 2022	<u>\$ 0.2</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 0.2</u>

#### ***Other Charges***

The Company recorded other charges of \$11.8 million, \$11.4 million, and \$8.8 million during Fiscal 2022, Fiscal 2021, and Fiscal 2020, respectively, primarily related to rent and occupancy costs associated with certain previously exited real estate locations for which the related lease agreements have not yet expired.

Additionally, during Fiscal 2022, the Company recorded a charge of \$6.4 million in connection with non-income-related capital taxes resulting from Swiss tax reform (see Note 10). During Fiscal 2020, the Company also recorded other charges of \$20.8 million related to the donation of net cash proceeds received from the sale of its corporate jet, which was paid to the Ralph Lauren Corporate Foundation.

#### **10. Income Taxes**

##### ***Swiss Tax Reform***

In May 2019, a public referendum was held in Switzerland that approved the Federal Act on Tax Reform and AHV Financing (the "Swiss Tax Act"), which became effective January 1, 2020. The Swiss Tax Act eliminates certain preferential tax items at both the federal and cantonal levels for multinational companies, and provides the cantons with parameters for establishing local tax rates and regulations. The Swiss Tax Act also provides transitional provisions, one of which allows eligible companies to increase the tax basis of certain assets based on the value generated by their business in previous years, and to amortize such adjustment as a tax deduction over a transitional period.

During the second quarter of Fiscal 2020, the Swiss Tax Act was enacted into law, resulting in an immaterial adjustment associated with the revaluation of the Company's Swiss deferred tax assets and liabilities and the then estimated annual effective tax rate. Subsequently, as a result of additional information received from tax authorities and analyses performed related to the transitional provision noted above, the Company recorded a one-time income tax benefit and corresponding deferred tax asset of \$122.9 million during Fiscal 2020, which reduced the Company's effective tax rate by 3,760 basis points.

During Fiscal 2021, the Company reduced its one-time tax benefit by \$13.8 million due to new legislation enacted in connection with the European Union's anti-tax avoidance directive, which increased the Company's effective tax rate by 1,840 basis points.

Additionally, during Fiscal 2022, the Company recorded a charge of \$6.4 million within restructuring and other charges, net in the consolidated statements of operations in connection with non-income-related capital taxes resulting from Swiss Tax Reform.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Taxes on Income**

Domestic and foreign pretax income (loss) are as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
Domestic	\$ 180.7	\$ (285.0)	\$ (82.9)
Foreign	573.9	210.2	409.3
Total income (loss) before income taxes	<u>754.6</u>	<u>(74.8)</u>	<u>326.4</u>

Benefits (provisions) for current and deferred income taxes are as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
Current:			
Federal	\$ (24.2)	\$ 38.5	\$ 1.5
State and local	(21.6)	1.5	(19.8)
Foreign	<u>(154.8)</u>	<u>(50.7)</u>	<u>(92.6)</u>
	<u>(200.6)</u>	<u>(10.7)</u>	<u>(110.9)</u>
Deferred:			
Federal	53.8	(19.2)	18.0
State and local	8.2	3.5	5.6
Foreign	<u>(15.9)</u>	<u>(19.9)</u>	<u>145.2</u>
	<u>46.1</u>	<u>(35.6)</u>	<u>168.8</u>
Total income tax benefit (provision)	<u>\$ (154.5)</u>	<u>\$ (46.3)</u>	<u>\$ 57.9</u>

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Tax Rate Reconciliation**

The differences between income taxes expected at the U.S. federal statutory income tax rate and income taxes provided are as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
Benefit (provision) for income taxes at the U.S. federal statutory rate	\$ (158.5)	\$ 15.7	\$ (68.5)
Change due to:			
State and local income taxes, net of federal benefit	(14.5)	6.1	(1.5)
Foreign income taxed at different rates, net of U.S. foreign tax credits	(2.6)	(4.8)	24.7
Deferred tax adjustments	8.0	—	—
Foreign-derived intangible income benefit	20.3	—	—
Changes in valuation allowance on deferred tax assets	3.6	(34.9)	(1.7)
Unrecognized tax benefits and settlements of tax examinations	(11.5)	(4.6)	(9.2)
Swiss Tax Act benefit (expense)	—	(13.8)	125.3
Compensation-related adjustments	(9.4)	(12.9)	(10.7)
Charitable contributions	3.7	7.4	0.2
Transfer pricing adjustments	—	(4.1)	—
Other	6.4	(0.4)	(0.7)
Total income tax benefit (provision)	<hr/> <hr/> \$ (154.5)	<hr/> <hr/> \$ (46.3)	<hr/> <hr/> \$ 57.9
Effective tax rate <sup>(a)</sup>	<hr/> <hr/> 20.5 %	<hr/> <hr/> (61.9 %)	<hr/> <hr/> (17.7 %)

<sup>(a)</sup> Effective tax rate is calculated by dividing the income tax benefit (provision) by income (loss) before income taxes.

The Company's Fiscal 2022 effective tax rate was slightly lower than the U.S. federal statutory income tax rate of 21% primarily due to favorable tax impacts of the foreign-derived intangible income deduction and deferred tax adjustments, partially offset by the unfavorable impacts of additional income tax reserves associated with certain income tax audits and tax impacts of compensation related adjustments. The Company's Fiscal 2021 effective tax rate was unfavorable to the U.S. federal statutory income tax rate of 21% primarily due to incremental tax expense resulting from new legislation enacted in connection with the European Union's anti-tax avoidance directive, valuation allowances recorded against certain deferred tax assets as a result of significant business disruptions attributable to COVID-19, and tax impacts on stock-based compensation and other permanent adjustments, partially offset by an income tax benefit related to charitable contributions. The Company's Fiscal 2020 effective tax rate was lower than the U.S. federal statutory income tax rate of 21% primarily due to the one-time income tax benefit recorded in connection with the Swiss Tax Act, as previously discussed, the favorable impact of the change in geographic mix of its worldwide earnings and the favorable impact of tax benefits associated with provision to tax return adjustments, partially offset by the unfavorable impact of additional income tax reserves associated with certain income tax audits.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Deferred Taxes**

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

	April 2, 2022	March 27, 2021
	(millions)	
Lease liabilities	\$ 349.5	\$ 406.6
Deferred income	96.0	1.2
Net operating loss carryforwards	58.9	59.6
Deferred compensation	34.5	49.7
Unrecognized tax benefits	31.7	23.3
Receivable allowances and reserves	31.2	30.5
Inventory basis difference	27.5	44.9
Property and equipment	15.7	22.8
GILTI-related carryforwards	10.6	34.1
Accrued expenses	7.3	13.0
Transfer pricing	4.1	4.1
Charitable contribution carryforwards	0.4	18.4
Lease right-of-use assets	(273.1)	(322.0)
Goodwill and other intangible assets	(53.9)	(48.2)
Cumulative translation adjustment and hedges	(11.3)	4.0
Other	7.3	3.2
Valuation allowance	(45.1)	(72.0)
Net deferred tax assets <sup>(a)</sup>	<u>\$ 291.3</u>	<u>\$ 273.2</u>

<sup>(a)</sup> Net deferred tax balances as of April 2, 2022 and March 27, 2021 were comprised of non-current deferred tax assets of \$303.8 million and \$283.9 million, respectively, recorded within deferred tax assets, and non-current deferred tax liabilities of \$12.5 million and \$10.7 million, respectively, recorded within other non-current liabilities in the consolidated balance sheets.

The Company has available federal, state, and foreign net operating loss carryforwards of \$16.9 million, \$5.8 million, and \$3.8 million (all net of tax), respectively, for tax purposes to offset future taxable income. The net operating loss carryforwards expire beginning in Fiscal 2023.

The Company also has available state and foreign net operating loss carryforwards of \$4.7 million and \$27.6 million (both net of tax), respectively, for which no net deferred tax asset has been recognized. A full valuation allowance has been recorded against these carryforwards since the Company does not believe that it will more likely than not be able to utilize these carryforwards to offset future taxable income. Subsequent recognition of these deferred tax assets would result in an income tax benefit in the year of such recognition. The valuation allowance relating to state net operating loss carryforwards decreased by \$3.8 million (net of tax) as a result of changes in jurisdictions where the Company does not believe that it will more likely than not be able to utilize these carryforwards in the future. The valuation allowance relating to foreign net operating loss carryforwards increased by \$0.2 million, mainly due to differences in foreign exchange rates.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

In January 2018, new U.S. tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "TCJA") became effective. The TCJA significantly revised U.S. tax law by, among other provisions, creating a territorial tax system that included a one-time mandatory transition tax on previously deferred foreign earnings. As a result of the taxation of undistributed foreign earnings in connection with the TCJA, the Company reevaluated its permanent reinvestment assertion and determined that undistributed foreign earnings that were subject to the TCJA's one-time mandatory transition tax were no longer considered to be permanently reinvested, effective December 31, 2017. The mandatory transition tax does not apply to undistributed foreign earnings generated after December 31, 2017. Accordingly, provision has not been made for U.S. or additional foreign taxes on approximately \$1.884 billion of undistributed earnings of foreign subsidiaries generated after December 31, 2017, as such earnings are expected to be permanently reinvested. These earnings could become subject to tax if they were remitted as dividends, if foreign earnings were lent to RLC, a subsidiary or a U.S. affiliate of RLC, or if the stock of the subsidiaries were sold. Determination of the amount of unrecognized deferred tax liability with respect to such earnings is not practicable.

***Uncertain Income Tax Benefits***

*Fiscal 2022, Fiscal 2021, and Fiscal 2020 Activity*

Reconciliations of the beginning and ending amounts of unrecognized tax benefits, excluding interest and penalties, for Fiscal 2022, Fiscal 2021, and Fiscal 2020 are presented below:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
Unrecognized tax benefits beginning balance	\$ 71.4	\$ 72.7	\$ 65.2
Additions related to current period tax positions	21.6	3.2	6.0
Additions related to prior period tax positions	8.1	8.8	30.5
Reductions related to prior period tax positions	(7.6)	(4.2)	(18.7)
Reductions related to expiration of statutes of limitations	(1.1)	(2.1)	(1.2)
Reductions related to settlements with taxing authorities	(14.8)	(9.6)	(8.8)
Additions (reductions) related to foreign currency translation	(2.2)	2.6	(0.3)
Unrecognized tax benefits ending balance	<u>\$ 75.4</u>	<u>\$ 71.4</u>	<u>\$ 72.7</u>

The Company classifies interest and penalties related to unrecognized tax benefits as part of its provision for income taxes. Reconciliations of the beginning and ending amounts of accrued interest and penalties related to unrecognized tax benefits for Fiscal 2022, Fiscal 2021, and Fiscal 2020 are presented below:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
Accrued interest and penalties beginning balance	\$ 20.0	\$ 16.2	\$ 13.6
Net additions charged to expense	2.6	5.5	7.0
Reductions related to prior period tax positions	(0.9)	(1.7)	(1.9)
Reductions related to settlements with taxing authorities	(5.0)	(0.3)	(2.5)
Additions (reductions) related to foreign currency translation	(0.2)	0.3	—
Accrued interest and penalties ending balance	<u>\$ 16.5</u>	<u>\$ 20.0</u>	<u>\$ 16.2</u>

The total amount of unrecognized tax benefits, including interest and penalties, was \$91.9 million and \$91.4 million as of April 2, 2022 and March 27, 2021, respectively, and was included within the non-current liability for unrecognized tax benefits in the consolidated balance sheets. The total amount of unrecognized tax benefits that, if recognized, would affect the Company's effective tax rate was \$60.1 million and \$68.0 million as of April 2, 2022 and March 27, 2021, respectively.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*Future Changes in Unrecognized Tax Benefits*

The total amount of unrecognized tax benefits relating to the Company's tax positions is subject to change based on future events including, but not limited to, settlements of ongoing tax audits and assessments and the expiration of applicable statutes of limitations. Although the outcomes and timing of such events are highly uncertain, the Company does not anticipate that the balance of gross unrecognized tax benefits, excluding interest and penalties, will change significantly during the next twelve months. However, changes in the occurrence, expected outcomes, and timing of such events could cause the Company's current estimate to change materially in the future.

The Company files a consolidated U.S. federal income tax return, as well as tax returns in various state, local, and foreign jurisdictions. The Company is generally no longer subject to examinations by the relevant tax authorities for years prior to its fiscal year ended March 30, 2013.

**11. Debt**

Debt consists of the following:

	April 2, 2022	March 27, 2021
	(millions)	
\$400 million 3.750% Senior Notes <sup>(a)</sup>	\$ 397.7	\$ 397.1
\$500 million 1.700% Senior Notes <sup>(b)</sup>	499.8	498.4
\$750 million 2.950% Senior Notes <sup>(c)</sup>	738.8	737.4
Total debt	1,636.3	1,632.9
Less: current portion of long-term debt	499.8	—
Total long-term debt	<u>\$ 1,136.5</u>	<u>\$ 1,632.9</u>

- (a) The carrying value of the 3.750% Senior Notes is presented net of unamortized debt issuance costs and original issue discount of \$2.3 million and \$2.9 million as of April 2, 2022 and March 27, 2021, respectively.
- (b) The carrying value of the 1.700% Senior Notes is presented net of unamortized debt issuance costs and original issue discount of \$0.2 million and \$1.6 million as of April 2, 2022 and March 27, 2021, respectively.
- (c) The carrying value of the 2.950% Senior Notes is presented net of unamortized debt issuance costs and original issue discount of \$11.2 million and \$12.6 million as of April 2, 2022 and March 27, 2021, respectively.

**Senior Notes**

In August 2018, the Company completed a registered public debt offering and issued \$400 million aggregate principal amount of unsecured senior notes due September 15, 2025, which bear interest at a fixed rate of 3.750%, payable semi-annually (the "3.750% Senior Notes"). The 3.750% Senior Notes were issued at a price equal to 99.521% of their principal amount. The proceeds from this offering were used for general corporate purposes, including repayment of the Company's previously outstanding \$300 million principal amount of 2.125% unsecured senior notes that matured September 26, 2018 (the "2.125% Senior Notes").

In June 2020, the Company completed another registered public debt offering and issued an additional \$500 million aggregate principal amount of unsecured senior notes due June 15, 2022, which bear interest at a fixed rate of 1.700%, payable semi-annually (the "1.700% Senior Notes"), and \$750 million aggregate principal amount of unsecured senior notes due June 15, 2030, which bear interest at a fixed rate of 2.950%, payable semi-annually (the "2.950% Senior Notes"). The 1.700% Senior Notes and 2.950% Senior Notes were issued at prices equal to 99.880% and 98.995% of their principal amounts, respectively. The proceeds from these offerings are being used for general corporate purposes, which included the repayment of \$475 million previously outstanding under the Company's Global Credit Facility (as defined below) on June 3, 2020 and repayment of its previously outstanding \$300 million principal amount of 2.625% unsecured senior notes that matured August 18, 2020 (the "2.625% Senior Notes").

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The Company has the option to redeem the 3.750% Senior Notes, 1.700% Senior Notes, and 2.950% Senior Notes (collectively, the "Senior Notes"), in whole or in part, at any time at a price equal to accrued and unpaid interest on the redemption date plus the greater of (i) 100% of the principal amount of the series of Senior Notes to be redeemed or (ii) the sum of the present value of Remaining Scheduled Payments, as defined in the supplemental indentures governing such Senior Notes (together with the indenture governing the Senior Notes, the "Indenture"). The Indenture contains certain covenants that restrict the Company's ability, subject to specified exceptions, to incur certain liens; enter into sale and leaseback transactions; consolidate or merge with another party; or sell, lease, or convey all or substantially all of the Company's property or assets to another party. However, the Indenture does not contain any financial covenants.

***Commercial Paper***

The Company has a commercial paper borrowing program that allows it to issue up to \$500 million of unsecured commercial paper notes through private placement using third-party broker-dealers (the "Commercial Paper Program").

Borrowings under the Commercial Paper Program are supported by the Global Credit Facility (as defined below). Accordingly, the Company does not expect combined borrowings outstanding under the Commercial Paper Program and Global Credit Facility to exceed \$500 million. Commercial Paper Program borrowings may be used to support the Company's general working capital and corporate needs. Maturities of commercial paper notes vary, but cannot exceed 397 days from the date of issuance. Commercial paper notes issued under the Commercial Paper Program rank equally in seniority with the Company's other forms of unsecured indebtedness. As of both April 2, 2022 and March 27, 2021, there were no borrowings outstanding under the Commercial Paper Program.

***Revolving Credit Facilities***

***Global Credit Facility***

In August 2019, the Company replaced its then existing credit facility and entered into a new credit facility that provides for a \$500 million senior unsecured revolving line of credit through August 12, 2024 (the "Global Credit Facility") under terms and conditions substantially similar to those of the previous facility. The Global Credit Facility is also used to support the issuance of letters of credit and maintenance of the Commercial Paper Program. Borrowings under the Global Credit Facility may be denominated in U.S. Dollars and certain other currencies, including Euros, Hong Kong Dollars, and Japanese Yen, and are guaranteed by all of the Company's domestic significant subsidiaries. In accordance with the terms of the agreement governing the Global Credit Facility, the Company has the ability to expand its borrowing availability under the Global Credit Facility to \$1 billion, subject to the agreement of one or more new or existing lenders under the facility to increase their commitments. There are no mandatory reductions in borrowing ability throughout the term of the Global Credit Facility.

Under the Global Credit Facility as originally implemented, U.S. Dollar-denominated borrowings bore interest, at the Company's option, either at (a) a base rate, by reference to the greatest of: (i) the annual prime commercial lending rate of JPMorgan Chase Bank, N.A. in effect from time to time, (ii) the weighted-average overnight Federal funds rate plus 50 basis points, or (iii) one-month LIBOR plus 100 basis points; or (b) LIBOR, adjusted for the Federal Reserve Board's Eurocurrency liabilities maximum reserve percentage, plus a spread of 75 basis points, subject to adjustment based on the Company's credit ratings ("Adjusted LIBOR"). Foreign currency-denominated borrowings bore interest at Adjusted LIBOR. In addition to paying interest on any outstanding borrowings under the Global Credit Facility, the Company is required to pay a commitment fee to the lenders under the Global Credit Facility relating to the unutilized commitments. The current commitment fee rate of 9 basis points is subject to adjustment based on the Company's credit ratings. Certain of these provisions were amended in January 2022 and March 2022, as discussed further below.

The Global Credit Facility contains a number of covenants that, among other things, restrict the Company's ability, subject to specified exceptions, to incur additional debt; incur liens; sell or dispose of assets; merge with or acquire other companies; liquidate or dissolve itself; engage in businesses that are not in a related line of business; make loans, advances, or guarantees; engage in transactions with affiliates; and make certain investments. As originally implemented, the Global Credit Facility also requires the Company to maintain a maximum ratio of Adjusted Debt to Consolidated EBITDAR (the "leverage ratio") of no greater than 4.25 as of the date of measurement for the four most recent consecutive fiscal quarters. Adjusted Debt is defined generally as consolidated debt outstanding, including finance lease obligations, plus all operating lease obligations. Consolidated EBITDAR is defined generally as consolidated net income plus (i) income tax expense, (ii) net interest expense, (iii) depreciation and amortization expense, (iv) operating lease cost, (v) restructuring and other non-recurring expenses, and (vi) acquisition-related costs. Certain of these requirements were temporarily amended in May 2020, as discussed below.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

In response to the COVID-19 pandemic, the Company entered into an amendment of its Global Credit Facility in May 2020 (the "Amendment"), which among its various provisions (as described in Note 11 of the Fiscal 2021 10-K), temporarily waived its leverage ratio requirement and imposed certain restrictions, including but not limited to, the amount of dividends and distributions on, or purchases, redemptions, repurchases, retirements or acquisitions of, the Company's stock. Subsequently, in November 2021, all terms and conditions reverted back to the original credit facility agreement upon the Company satisfying certain requirements stipulated in the Amendment.

In 2020 and 2021, it was publicly announced that LIBOR rates would cease to be published for U.S. Dollars on June 30, 2023 and for Euros, Japanese Yen, and certain other currencies on December 31, 2021. The U.S. federal bank regulatory agencies jointly recommended that banks cease entering into new contracts using LIBOR as a reference rate as soon as practicable but by no later than December 31, 2021, and that new contracts entered into prior to December 31, 2021 should either use a reference rate other than LIBOR or include effective fallback language with a clearly-defined alternative reference rate effective upon the discontinuation of LIBOR. The Alternative Reference Rates Committee, which is a group of private-market participants convened by the Federal Reserve Board and the Federal Reserve Bank of New York to help ensure a successful transition from LIBOR, recommended the Secured Overnight Financing Rate published by the Federal Reserve Bank of New York ("SOFR") as the alternative to LIBOR.

As a result of the cessation of LIBOR, in January 2022 the Company entered into a second amendment of its Global Credit Facility (the "Second Amendment"). Under the Second Amendment, alternate rates of interest were provided for specific Eurocurrency borrowings. Eurocurrency borrowings denominated in Euros now bear interest based on the Adjusted Euro Interbank Offered Rate, those denominated in Japanese Yen now bear interest based on the Adjusted Tokyo Interbank Offered Rate and those denominated in Hong Kong Dollars now bear interest based on the Adjusted Hong Kong Dollar Interbank Offered Rate, as each such term is defined in the Global Credit Facility as amended by the Second Amendment.

In March 2022, the Company entered into a third amendment of its Global Credit Facility (the "Third Amendment"). Under the Third Amendment, an alternative rate of interest to the LIBOR rate was established for U.S. Dollar-denominated borrowings. U.S. Dollar-denominated borrowings now bear interest based on, at the Company's option, either (a) a base rate, determined by reference to the greatest of: (i) the prime commercial lending rate as quoted in the Wall Street Journal in effect from time to time; (ii) the greater of the rate comprised of both overnight federal funds and overnight eurodollar transactions or the rate calculated based on federal funds transactions by depositary institutions, in either case determined by the Federal Reserve Bank of New York, plus 50 basis points; or (iii) the Adjusted Term SOFR Rate, as such term is defined in the Global Credit Facility as amended by the Third Amendment, for one-month plus 100 basis points, (b) the Term SOFR Rate, as such term is defined in the Global Credit Facility as amended by the Third Amendment, plus 10 basis points or (c) a rate equal to the Daily Simple SOFR Rate, as such term is defined in the Global Credit Facility, as amended by the Third Amendment, plus 10 basis points. The Third Amendment also added provisions to the Global Credit Facility to address possible future situations in which a reference rate for determining a relevant interest rate under the Global Credit Facility is no longer available or representative.

Upon the occurrence of an Event of Default under the Global Credit Facility, the lenders may cease making loans, terminate the Global Credit Facility, and declare all amounts outstanding to be immediately due and payable. The Global Credit Facility specifies a number of events of default (many of which are subject to applicable grace periods), including, among others, the failure to make timely principal, interest, and fee payments or to satisfy the covenants, including the financial covenant described above. Additionally, the Global Credit Facility provides that an Event of Default will occur if Mr. Ralph Lauren, the Company's Executive Chairman and Chief Creative Officer, and entities controlled by the Lauren family fail to maintain a specified minimum percentage of the voting power of the Company's common stock. As of April 2, 2022, no Event of Default (as such term is defined pursuant to the Global Credit Facility) has occurred under the Company's Global Credit Facility.

In March 2020, the Company borrowed \$475.0 million under the Global Credit Facility as a preemptive action to preserve cash and strengthen its liquidity position in response to the COVID-19 pandemic, which was subsequently repaid in June 2020. As of both April 2, 2022 and March 27, 2021, there were no borrowings outstanding under the Global Credit Facility. However, the Company was contingently liable for \$9.5 million and \$8.9 million of outstanding letters of credit.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

*Pan-Asia Borrowing Facilities*

Certain of the Company's subsidiaries in Asia have uncommitted credit facilities with regional branches of JPMorgan Chase in China and South Korea (the "Pan-Asia Credit Facilities"). Additionally, the Company's Japan subsidiary has an uncommitted overdraft facility with Sumitomo Mitsui Banking Corporation (the "Japan Overdraft Facility"). The Pan-Asia Credit Facilities and Japan Overdraft Facility (collectively, the "Pan-Asia Borrowing Facilities") are subject to annual renewal and may be used to fund general working capital needs of the Company's operations in the respective countries. Borrowings under the Pan-Asia Borrowing Facilities are guaranteed by the parent company and are granted at the sole discretion of the respective banks, subject to availability of the banks' funds and satisfaction of certain regulatory requirements. The Pan-Asia Borrowing Facilities do not contain any financial covenants. A summary of the Company's Pan-Asia Borrowing Facilities by country is as follows:

- China Credit Facility — provides Ralph Lauren Trading (Shanghai) Co., Ltd. with a revolving line of credit of up to 50 million Chinese Renminbi (approximately \$8 million) through April 3, 2023, which is also able to be used to support bank guarantees. The Company amended the China Credit Facility during the first quarter of Fiscal 2023, whereby the borrowing capacity was increased up to 100 million Chinese Renminbi (approximately \$16 million).
- South Korea Credit Facility — provides Ralph Lauren (Korea) Ltd. with a revolving line of credit of up to 30 billion South Korean Won (approximately \$25 million) through October 28, 2022.
- Japan Overdraft Facility — provides Ralph Lauren Corporation Japan with an overdraft amount of up to 5 billion Japanese Yen (approximately \$41 million) through April 28, 2023.

As of both April 2, 2022 and March 27, 2021, there were no borrowings outstanding under the Pan-Asia Borrowing Facilities.

**12. Fair Value Measurements**

U.S. GAAP prescribes a three-level valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy for a particular asset or liability depends on the inputs used in its valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally-derived (unobservable). A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

- Level 1 — inputs to the valuation methodology based on quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 — inputs to the valuation methodology based on quoted prices for similar assets or liabilities in active markets for substantially the full term of the financial instrument; quoted prices for identical or similar instruments in markets that are not active for substantially the full term of the financial instrument; and model-derived valuations whose inputs or significant value drivers are observable.
- Level 3 — inputs to the valuation methodology based on unobservable prices or valuation techniques that are significant to the fair value measurement.

The following table summarizes the Company's financial assets and liabilities that are measured and recorded at fair value on a recurring basis, excluding accrued interest components:

	April 2, 2022	March 27, 2021
	(millions)	
Derivative assets <sup>(a)</sup>	\$ 32.4	\$ 15.8
Derivative liabilities <sup>(a)</sup>	18.3	55.4

<sup>(a)</sup> Based on Level 2 measurements.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The Company's derivative financial instruments are recorded at fair value in its consolidated balance sheets and are valued using pricing models that are primarily based on market observable external inputs, including spot and forward currency exchange rates, benchmark interest rates, and discount rates consistent with the instrument's tenor, and consider the impact of the Company's own credit risk, if any. Changes in counterparty credit risk are also considered in the valuation of derivative financial instruments.

To the extent the Company invests in commercial paper, such investments are classified as available-for-sale and recorded at fair value in its consolidated balance sheets using external pricing data, based on interest rates and credit ratings for similar issuances with the same remaining term as the Company's investments. To the extent the Company invests in bonds, such investments are also classified as available-for-sale and recorded at fair value in its consolidated balance sheets based on quoted prices in active markets.

The Company's cash and cash equivalents, restricted cash, and time deposits are recorded at carrying value, which generally approximates fair value based on Level 1 measurements.

The Company's debt instruments are recorded at their amortized cost in its consolidated balance sheets, which may differ from their respective fair values. The fair values of the Senior Notes are estimated based on external pricing data, including available quoted market prices, and with reference to comparable debt instruments with similar interest rates, credit ratings, and trading frequency, among other factors. The fair values of the Company's commercial paper notes and borrowings outstanding under its credit facilities, if any, are estimated using external pricing data, based on interest rates and credit ratings for similar issuances with the same remaining term as the Company's outstanding borrowings. Due to their short-term nature, the fair values of the Company's commercial paper notes and borrowings outstanding under its credit facilities, if any, generally approximate their amortized cost carrying values.

The following table summarizes the carrying values and the estimated fair values of the Company's debt instruments:

	April 2, 2022		March 27, 2021	
	Carrying Value <sup>(a)</sup>	Fair Value <sup>(b)</sup>	Carrying Value <sup>(a)</sup>	Fair Value <sup>(b)</sup>
	(millions)			
\$400 million 3.750% Senior Notes	\$ 397.7	\$ 407.9	\$ 397.1	\$ 443.4
\$500 million 1.700% Senior Notes	499.8	500.5	498.4	507.8
\$750 million 2.950% Senior Notes	738.8	721.0	737.4	779.4

<sup>(a)</sup> See Note 11 for discussion of the carrying values of the Company's senior notes.

<sup>(b)</sup> Based on Level 2 measurements.

Unrealized gains or losses resulting from changes in the fair value of the Company's debt instruments do not result in the realization or expenditure of cash unless the debt is retired prior to its maturity.

#### ***Non-financial Assets and Liabilities***

The Company's non-financial assets, which primarily consist of goodwill, other intangible assets, property and equipment, and lease-related ROU assets, are not required to be measured at fair value on a recurring basis, and instead are reported at their amortized or depreciated cost in its consolidated balance sheet. However, on a periodic basis or whenever events or changes in circumstances indicate that they may not be fully recoverable (and at least annually for goodwill and indefinite-lived intangible assets), the respective carrying value of non-financial assets are assessed for impairment and, if ultimately considered impaired, are adjusted and written down to their fair value, as estimated based on consideration of external market participant assumptions and discounted cash flows.

During Fiscal 2022, Fiscal 2021, and Fiscal 2020, the Company recorded non-cash impairment charges to reduce the carrying values of certain long-lived assets to their estimated fair values. The fair values of these assets were determined based on Level 3 measurements, the related inputs of which included estimates of the amount and timing of the assets' net future discounted cash flows (including any potential sublease income for lease-related ROU assets), based on historical experience and consideration of current trends, market conditions, and comparable sales, as applicable.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following tables summarize non-cash impairment charges recorded by the Company during the fiscal years presented to reduce the carrying values of certain long-lived assets to their estimated fair values as of the assessment date:

Long-Lived Asset Category	Fiscal Years Ended					
	April 2, 2022		March 27, 2021		March 28, 2020	
	Total Impairments <sup>(a)</sup>	Fair Value as of Impairment Date	Total Impairments <sup>(a)</sup>	Fair Value as of Impairment Date	Total Impairments <sup>(a)</sup>	Fair Value as of Impairment Date
(millions)						
Property and equipment, net	\$ 1.0	\$ —	\$ 44.1	\$ 23.5	\$ 16.8	\$ 2.4
Operating lease right-of-use assets <sup>(b)</sup>	20.3	27.8	51.9	84.3	239.9	120.8
Equity method investment	—	N/A	—	N/A	7.1	1.3

- (a) Impairment of equity method investment is recorded within other income (expense), net in the consolidated statements of operations. All other impairment charges are recorded within impairments of assets in the consolidated statements of operations, unless otherwise noted.
- (b) Total impairment charges for Fiscal 2020 includes \$225.1 million recorded in connection with the Company's adoption of ASU No. 2016-02, "Leases" as of the beginning of Fiscal 2020 which, net of related income tax benefits, reduced its opening retained earnings balance by \$169.4 million.

See Note 8 for additional discussion regarding non-cash impairment charges recorded by the Company within the consolidated statements of operations during the fiscal years presented.

No impairment charges associated with goodwill or other intangible assets were recorded during any of the fiscal years presented. In Fiscal 2022, the Company performed its annual goodwill impairment assessment using a qualitative approach as of the beginning of the second quarter of Fiscal 2022. In performing the assessment, the Company identified and considered the significance of relevant key factors, events, and circumstances that affected the fair values and/or carrying amounts of its reporting units with allocated goodwill. These factors included external factors such as macroeconomic, industry, and market conditions, as well as entity-specific factors, such as the Company's actual and expected financial performance. Additionally, the Company also considered the results of its most recent quantitative goodwill impairment test, which was performed as of the end of Fiscal 2020 and incorporated assumptions related to COVID-19 business disruptions, the results of which indicated that the fair values of these reporting units significantly exceeded their respective carrying values. Based on the results of its qualitative goodwill impairment assessment, the Company concluded that it is not more likely than not that the fair values of its reporting units are less than their respective carrying values and there were no reporting units at risk of impairment.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**13. Financial Instruments**

***Derivative Financial Instruments***

The Company is exposed to changes in foreign currency exchange rates, primarily relating to certain anticipated cash flows and the value of the reported net assets of its international operations, as well as changes in the fair value of its fixed-rate debt obligations attributed to changes in benchmark interest rates. Accordingly, based on its assessment thereof, the Company may use derivative financial instruments to manage and mitigate such risks. The Company does not use derivatives for speculative or trading purposes.

The following table summarizes the Company's outstanding derivative instruments recorded on its consolidated balance sheets as of April 2, 2022 and March 27, 2021:

Derivative Instrument <sup>(a)</sup>	Notional Amounts		Derivative Assets				Derivative Liabilities			
	April 2, 2022	March 27, 2021	April 2, 2022		March 27, 2021		April 2, 2022		March 27, 2021	
			Balance Sheet Line <sup>(b)</sup>	Fair Value						
<b>Designated Hedges:</b>										
FC — Cash flow hedges	\$ 236.5	\$ 168.9	PP	\$ 6.6	PP	\$ 5.0	\$ —	\$ —	\$ —	\$ —
Net investment hedges <sup>(c)</sup>	700.0	723.2	ONCA	23.7	ONCA	10.2	ONCL	18.1	ONCL	55.1
Total Designated Hedges	<u>936.5</u>	<u>892.1</u>		<u>30.3</u>		<u>15.2</u>		<u>18.1</u>		<u>55.1</u>
<b>Undesignated Hedges:</b>										
FC — Undesignated hedges <sup>(d)</sup>	225.0	242.4	PP	2.1	PP	0.6	AE	0.2	AE	0.3
Total Hedges	<u>\$ 1,161.5</u>	<u>\$ 1,134.5</u>		<u>\$ 32.4</u>		<u>\$ 15.8</u>		<u>\$ 18.3</u>		<u>\$ 55.4</u>

(a) FC = Forward foreign currency exchange contracts.

(b) PP = Prepaid expenses and other current assets; AE = Accrued expenses and other current liabilities; ONCA = Other non-current assets; ONCL = Other non-current liabilities.

(c) Includes cross-currency swaps designated as hedges of the Company's net investment in certain foreign operations.

(d) Relates to third-party and intercompany foreign currency-denominated exposures and balances.

The Company presents the fair values of its derivative assets and liabilities recorded on its consolidated balance sheets on a gross basis, even when they are subject to master netting arrangements. However, if the Company were to offset and record the asset and liability balances of all of its derivative instruments on a net basis in accordance with the terms of each of its master netting arrangements, spread across nine separate counterparties, the amounts presented in the consolidated balance sheets as of April 2, 2022 and March 27, 2021 would be adjusted from the current gross presentation as detailed in the following table:

	April 2, 2022			March 27, 2021		
	Gross Amounts Presented in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet that are Subject to Master Netting Agreements		Net Amount	Gross Amounts Presented in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet that are Subject to Master Netting Agreements
		(millions)	Net Amount			
Derivative assets	\$ 32.4	\$ (0.2)	\$ 32.2	\$ 15.8	\$ (0.3)	\$ 15.5
Derivative liabilities	18.3	(0.2)	18.1	55.4	(0.3)	55.1

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The Company's master netting arrangements do not require cash collateral to be pledged by the Company or its counterparties. See Note 3 for further discussion of the Company's master netting arrangements.

The following tables summarize the pretax impact of gains and losses from the Company's designated derivative instruments on its consolidated financial statements for the fiscal years presented:

	Gains (Losses) Recognized in OCI					
	Fiscal Years Ended					
	April 2, 2022	March 27, 2021	March 28, 2020			
(millions)						
<b>Designated Hedges:</b>						
FC — Cash flow hedges	\$ 9.0	\$ (3.5)	\$ 24.0			
Net investment hedges — effective portion	46.8	(35.5)	7.7			
Net investment hedges — portion excluded from assessment of hedge effectiveness	3.6	(50.8)	30.7			
Total Designated Hedges	<u><u>\$ 59.4</u></u>	<u><u>\$ (89.8)</u></u>	<u><u>\$ 62.4</u></u>			
Location and Amount of Gains (Losses) from Cash Flow Hedges Reclassified from AOCI to Earnings						
	Fiscal Years Ended					
	April 2, 2022	March 27, 2021	March 28, 2020			
	Cost of goods sold	Other income (expense), net	Cost of goods sold	Other income (expense), net	Cost of goods sold	Other income (expense), net
(millions)						
<b>Total amounts presented in the consolidated statements of operations in which the effects of related cash flow hedges are recorded</b>	\$ (2,071.0)	\$ 4.7	\$ (1,539.4)	\$ 7.6	\$ (2,506.5)	\$ (7.4)
<b>Effects of cash flow hedging:</b>						
FC — Cash flow hedges	3.8	—	12.6	(0.3)	24.9	1.1
Gains (Losses) from Net Investment Hedges Recognized in Earnings				Location of Gains (Losses) Recognized in Earnings		
	Fiscal Years Ended					
	April 2, 2022	March 27, 2021	March 28, 2020			
	(millions)					
<b>Net Investment Hedges:</b>						
Net investment hedges — portion excluded from assessment of hedge effectiveness <sup>(a)</sup>	\$ 11.9	\$ 11.3	\$ 19.0	Interest expense		
Total Net Investment Hedges	<u><u>\$ 11.9</u></u>	<u><u>\$ 11.3</u></u>	<u><u>\$ 19.0</u></u>			

<sup>(a)</sup> Amounts recognized in OCI relating to the effective portion of the Company's net investment hedges would be recognized in earnings only upon the sale or liquidation of the hedged net investment.

As of April 2, 2022, it is estimated that \$10.0 million of pretax net gains on both outstanding and matured derivative instruments designated and qualifying as cash flow hedges deferred in AOCI will be recognized in earnings over the next twelve months. Amounts ultimately recognized in earnings will depend on exchange rates in effect when outstanding derivative instruments are settled.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table summarizes the pretax impact of gains and losses from the Company's undesignated derivative instruments on its consolidated financial statements for the fiscal years presented:

	Gains (Losses) Recognized in Earnings			Location of Gains (Losses) Recognized in Earnings	
	Fiscal Years Ended				
	April 2, 2022	March 27, 2021	March 28, 2020		
(millions)					
<b>Undesignated Hedges:</b>					
FC — Undesignated hedges	\$ 6.9	\$ (0.8)	\$ 16.0	Other income (expense), net	
Total Undesignated Hedges	<u>\$ 6.9</u>	<u>\$ (0.8)</u>	<u>\$ 16.0</u>		

### ***Risk Management Strategies***

#### *Forward Foreign Currency Exchange Contracts*

The Company uses forward foreign currency exchange contracts to mitigate its risk related to exchange rate fluctuations on inventory transactions made in an entity's non-functional currency, the settlement of foreign currency-denominated balances, and the translation of certain foreign operations' net assets into U.S. dollars. As part of its overall strategy for managing the level of exposure to such exchange rate risk, relating primarily to the Euro, the Japanese Yen, the South Korean Won, the Australian Dollar, the Canadian Dollar, the British Pound Sterling, the Swiss Franc, and the Chinese Renminbi, the Company generally hedges a portion of its related exposures anticipated over the next twelve months using forward foreign currency exchange contracts with maturities of two months to one year to provide continuing coverage over the period of the respective exposure.

#### *Cross-Currency Swap Contracts*

The Company periodically designates pay-fixed rate, receive fixed-rate cross-currency swap contracts as hedges of its net investment in certain of its European subsidiaries.

The Company's pay-fixed rate, receive-fixed rate cross-currency swap contracts swap U.S. Dollar-denominated fixed interest rate payments based on the contract's notional amount and the fixed rate of interest payable on certain of the Company's senior notes for Euro-denominated fixed interest rate payments, thereby economically converting a portion of its fixed-rate U.S. Dollar-denominated senior note obligations to fixed-rate Euro-denominated obligations.

See Note 3 for further discussion of the Company's accounting policies relating to its derivative financial instruments.

### ***Investments***

The Company's short-term investments as of April 2, 2022 and March 27, 2021, were \$734.6 million and \$197.5 million, respectively, and consisted of time deposits.

No significant realized or unrealized gains or losses on available-for-sale investments or impairment charges were recorded during any of the fiscal years presented.

Refer to Note 3 for further discussion of the Company's accounting policies relating to its investments.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**14. Leases**

The following table summarizes ROU assets and lease liabilities recorded on the consolidated balance sheet:

	April 2, 2022	March 27, 2021		Location Recorded on Balance Sheet
	(millions)			
<b>Assets:</b>				
Operating leases	\$ 1,111.3	\$ 1,239.5		Operating lease right-of-use assets
Finance leases	299.4	331.6		Property and equipment, net
<b>Total lease assets</b>	<b>\$ 1,410.7</b>	<b>\$ 1,571.1</b>		
<b>Liabilities:</b>				
<u>Operating leases:</u>				
Current portion	\$ 262.0	\$ 302.9		Current operating lease liabilities
Non-current portion	1,132.2	1,294.5		Long-term operating lease liabilities
<b>Total operating lease liabilities</b>	<b>1,394.2</b>	<b>1,597.4</b>		
<u>Finance leases:</u>				
Current portion	19.8	19.7		Accrued expenses and other current liabilities
Non-current portion	341.6	370.5		Long-term finance lease liabilities
<b>Total finance lease liabilities</b>	<b>361.4</b>	<b>390.2</b>		
<b>Total lease liabilities</b>	<b>\$ 1,755.6</b>	<b>\$ 1,987.6</b>		

The following table summarizes the composition of total lease cost during the fiscal periods presented:

	Fiscal Years Ended			Location Recorded in Earnings
	April 2, 2022	March 27, 2021	March 28, 2020	
	(millions)			
Operating lease cost	\$ 300.2	\$ 323.5	\$ 322.0	(a)
<u>Finance lease costs:</u>				
Depreciation of leased assets	26.1	20.5	18.1	SG&A expenses
Accretion of lease liabilities	12.2	9.7	8.1	Interest expense
Variable lease cost	291.2	224.7	298.0	(b)
Short-term lease cost	3.6	4.9	5.5	SG&A expenses
Sublease income	(6.7)	(1.8)	(2.9)	Restructuring and other charges, net
<b>Total lease cost</b>	<b>\$ 626.6</b>	<b>\$ 581.5</b>	<b>\$ 648.8</b>	

(a) During Fiscal 2022, \$3.3 million was included within cost of goods sold, \$276.2 million was included within SG&A expenses, and \$20.7 million was included within restructuring and other charges, net. During Fiscal 2021, \$3.4 million was included within cost of goods sold, \$307.0 million was included within SG&A expenses, and \$13.1 million was included within restructuring and other charges, net. During Fiscal 2020, \$4.4 million was included within cost of goods sold, \$307.3 million was included within SG&A expenses, and \$10.3 million was included within restructuring and other charges, net.

(b) During Fiscal 2022, \$4.6 million was included within cost of goods sold, \$288.6 million was included within SG&A expenses, and a benefit of \$2.0 million was included within restructuring and other charges, net. During Fiscal 2021, \$4.5 million was included within cost of goods sold and \$220.2 million was included within SG&A expenses. During Fiscal 2020, \$4.7 million was included within cost of goods sold, \$290.3 million was included within SG&A expenses, and \$3.0 million was included within restructuring and other charges, net.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The following table summarizes certain cash flow information related to the Company's leases:

	Fiscal Year Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>			
Operating cash flows from operating leases	\$ 384.6	\$ 360.6	\$ 383.9
Operating cash flows from finance leases	12.3	6.7	8.0
Financing cash flows from finance leases	23.1	13.9	13.6

See Note 21 for supplemental non-cash information related to ROU assets recorded in connection with the recognition of new lease liabilities.

The following table presents a maturity analysis summary of contractual cash payments for the Company's lease liabilities recorded on the consolidated balance sheet as of April 2, 2022:

	April 2, 2022	
	Operating Leases	Finance Leases
	(millions)	
Fiscal 2023	\$ 286.1	\$ 32.5
Fiscal 2024	276.6	34.3
Fiscal 2025	230.7	34.8
Fiscal 2026	162.9	35.1
Fiscal 2027	141.4	34.6
Fiscal 2028 and thereafter	396.5	276.1
Total lease payments	1,494.2	447.4
Less: interest	(100.0)	(86.0)
<b>Total lease liabilities</b>	<b>\$ 1,394.2</b>	<b>\$ 361.4</b>

Additionally, the Company has \$23.9 million of future payment obligations relating to executed lease agreements for which the related lease terms had not yet commenced as of the end of Fiscal 2022, and, therefore, are not recorded on the consolidated balance sheet as of April 2, 2022.

The following table summarizes the weighted-average remaining lease terms and weighted-average discount rates related to the Company's operating and finance leases recorded on the consolidated balance sheet:

	April 2, 2022		March 27, 2021	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
Weighted-average remaining lease term (years)	6.8	13.5	6.9	14.2
Weighted-average discount rate	1.9 %	3.2 %	2.0 %	3.3 %

See Note 3 for discussion of the Company's accounting policies related to leases.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**15. Commitments and Contingencies**

***TCJA Mandatory Transition Tax***

In connection with the TCJA's provision that subjects previously deferred foreign earnings to a one-time mandatory transition tax, the Company had a remaining related income tax payable obligation of \$112.8 million as of April 2, 2022, which is expected to be paid as follows:

	Mandatory Transition Tax Payments <sup>(a)</sup> (millions)
Fiscal 2023	\$ 13.9
Fiscal 2024	24.7
Fiscal 2025	33.0
Fiscal 2026	41.2
Total mandatory transition tax payments	<b>\$ 112.8</b>

<sup>(a)</sup> Included within current and non-current income tax payable in the consolidated balance sheets based upon the estimated timing of payments.

***Employee Agreements***

The Company has employment agreements with certain executives in the normal course of business which provide for compensation and certain other benefits. These agreements also provide for severance payments under certain circumstances.

***Other Commitments***

Other off-balance sheet firm commitments amounted to \$1.339 billion as of April 2, 2022, including inventory purchase commitments of \$916.0 million, lease commitments related to lease agreements for which the related lease terms have not yet commenced of \$23.9 million, outstanding letters of credit of \$9.5 million, interest payments related to the Company's debt of \$244.9 million, and other commitments of \$144.9 million, comprised of the Company's legally-binding obligations under sponsorship, licensing, and other marketing and advertising agreements, information technology-related service agreements, and pension-related obligations.

***Other Matters***

The Company is involved, from time to time, in litigation, other legal claims, and proceedings involving matters associated with or incidental to its business, including, among other things, matters involving credit card fraud, trademark and other intellectual property, licensing, importation and exportation of its products, taxation, unclaimed property, leases, and employee relations. The Company believes at present that the resolution of currently pending matters will not individually or in the aggregate have a material adverse effect on its consolidated financial statements. However, the Company's assessment of any current litigation or other legal claims could potentially change in light of the discovery of facts not presently known or determinations by judges, juries, or other finders of fact which are not in accord with management's evaluation of the possible liability or outcome of such litigation or claims.

In the normal course of business, the Company may enter into certain guarantees or other agreements that provide general indemnifications. The Company has not made any significant indemnification payments under such agreements in the past and does not currently anticipate incurring any material indemnification payments.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**16. Equity**

***Capital Stock***

The Company's capital stock consists of two classes of common stock. There are 500 million shares of Class A common stock and 100 million shares of Class B common stock authorized to be issued. Shares of Class A and Class B common stock have substantially identical rights, except with respect to voting rights. Holders of Class A common stock are entitled to one vote per share and holders of Class B common stock are entitled to ten votes per share. Holders of both classes of stock vote together as a single class on all matters presented to the stockholders for their approval, except with respect to the election and removal of directors or as otherwise required by applicable law. All outstanding shares of Class B common stock are owned by Mr. Ralph Lauren, the Company's Executive Chairman and Chief Creative Officer, and entities controlled by the Lauren family, and are convertible at any time into shares of Class A common stock on a one-for-one basis.

***Class B Common Stock Conversions***

During Fiscal 2020, the Lauren Family, L.L.C., a limited liability company managed by the children of Mr. Ralph Lauren, converted 1.0 million shares of Class B common stock into an equal number of shares of Class A common stock pursuant to the terms of the security. These conversions occurred in advance of a sales plan providing for the sale of such shares of Class A common stock pursuant to Rule 10b5-1 subject to the conditions set forth therein. These transactions resulted in a reclassification within equity and had no effect on the consolidated balance sheet.

***Common Stock Repurchase Program***

Repurchases of shares of the Company's Class A common stock are subject to overall business and market conditions, as well as other potential factors such as the temporary restrictions previously in place under the Company's Global Credit Facility. Accordingly, in response to business disruptions related to the COVID-19 pandemic, effective beginning in the first quarter of Fiscal 2021, the Company temporarily suspended its common stock repurchase program as a preemptive action to preserve cash and strengthen its liquidity position. However, the Company resumed activities under its Class A common stock repurchase program during the third quarter of Fiscal 2022 as restrictions under its Global Credit Facility were lifted (see Note 11) and overall business and market conditions have improved since the COVID-19 pandemic first emerged.

A summary of the Company's repurchases of Class A common stock under its common stock repurchase program is as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(in millions)		
Cost of shares repurchased	\$ 450.5	\$ —	\$ 650.3
Number of shares repurchased	3.7	—	6.2

On February 2, 2022, the Company's Board of Directors approved an expansion of the Company's existing common stock repurchase program that allows it to repurchase up to an additional \$1.500 billion of its Class A common stock. As of April 2, 2022, the remaining availability under the Company's Class A common stock repurchase program was approximately \$1.629 billion.

In addition, during Fiscal 2022, Fiscal 2021, and Fiscal 2020, 0.4 million, 0.5 million, and 0.4 million shares of Class A common stock, respectively, at a cost of \$42.1 million, \$37.7 million, and \$44.5 million, respectively, were surrendered to or withheld by the Company in satisfaction of withholding taxes in connection with the vesting of awards under the Company's long-term stock incentive plans.

Repurchased and surrendered shares are accounted for as treasury stock at cost and held in treasury for future use.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**Dividends**

Except as discussed below, the Company has maintained a regular quarterly cash dividend program on its common stock since 2003.

In response to business disruptions related to the COVID-19 pandemic, effective beginning in the first quarter of Fiscal 2021 the Company temporarily suspended its quarterly cash dividend program as a preemptive action to preserve cash and strengthen its liquidity position. On May 19, 2021, the Company's Board of Directors approved the reinstatement of its quarterly cash dividend program at the pre-pandemic amount of \$0.6875 per share. Dividends paid amounted to \$150.0 million, \$49.8 million, and \$203.9 million for Fiscal 2022, Fiscal 2021, and Fiscal 2020, respectively.

On May 18, 2022, the Company's Board of Directors approved an increase to the Company's quarterly cash dividend on its common stock from \$0.6875 to \$0.75 per share. The first quarterly dividend declared to reflect this increase will be payable to shareholders of record at the close of business on July 1, 2022 and will be paid on July 15, 2022.

The Company intends to continue to pay regular dividends on outstanding shares of its common stock. However, any decision to declare and pay dividends in the future will ultimately be made at the discretion of the Company's Board of Directors and will depend on the Company's results of operations, cash requirements, financial condition, and other factors that the Board of Directors may deem relevant, including economic and market conditions.

**17. Accumulated Other Comprehensive Income (Loss)**

The following table presents OCI activity, net of tax, accumulated in equity:

	Foreign Currency Translation Gains (Losses) <sup>(a)</sup>	Net Unrealized Gains (Losses) on Cash Flow Hedges <sup>(b)</sup>	Net Unrealized Gains (Losses) on Defined Benefit Plans <sup>(c)</sup>	Total Accumulated Other Comprehensive Income (Loss) <sup>(d)</sup>
(millions)				
Balance at March 30, 2019	\$ (118.5)	\$ 20.2	\$ (5.1)	\$ (103.4)
Other comprehensive income (loss), net of tax:				
OCI before reclassifications	(7.0)	21.2	(1.6)	12.6
Amounts reclassified from AOCI to earnings	(4.9)	(23.4)	0.9	(27.4)
Other comprehensive loss, net of tax	(11.9)	(2.2)	(0.7)	(14.8)
Balance at March 28, 2020	(130.4)	18.0	(5.8)	(118.2)
Other comprehensive income (loss), net of tax:				
OCI before reclassifications	7.2	(3.0)	3.3	7.5
Amounts reclassified from AOCI to earnings	—	(10.4)	0.3	(10.1)
Other comprehensive income (loss), net of tax	7.2	(13.4)	3.6	(2.6)
Balance at March 27, 2021	(123.2)	4.6	(2.2)	(120.8)
Other comprehensive income (loss), net of tax:				
OCI before reclassifications	(66.5)	7.7	2.2	(56.6)
Amounts reclassified from AOCI to earnings	—	(3.3)	0.4	(2.9)
Other comprehensive income (loss), net of tax	(66.5)	4.4	2.6	(59.5)
Balance at April 2, 2022	<u>\$ (189.7)</u>	<u>\$ 9.0</u>	<u>\$ 0.4</u>	<u>\$ (180.3)</u>

<sup>(a)</sup> OCI before reclassifications to earnings related to foreign currency translation gains (losses) includes income tax provisions of \$17.7 million and \$9.2 million for Fiscal 2022 and Fiscal 2020, respectively, and includes an income tax benefit of \$22.1 million for Fiscal 2021. OCI before reclassifications to earnings includes gains of \$38.1 million (net of a \$12.3 million income tax provision) and \$29.0 million (net of a \$9.4 million income tax provision) for Fiscal 2022 and Fiscal 2020, respectively, and includes a loss of \$65.6 million (net of a \$20.7 million income tax benefit) for Fiscal 2021, related to changes in the fair values of instruments designated as hedges of the Company's net investment in certain foreign operations (see Note 13). Amounts reclassified from AOCI to earnings related to foreign currency translation gains (losses) during Fiscal 2020 relate to the reclassification to retained earnings of income tax effects stranded in AOCI.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

- (b) OCI before reclassifications to earnings related to net unrealized gains (losses) on cash flow hedges are presented net of income tax provisions of \$1.3 million and \$2.8 million for Fiscal 2022 and Fiscal 2020, respectively, and are presented net of an income tax benefit of \$0.5 million for Fiscal 2021. The tax effects on amounts reclassified from AOCI to earnings are presented in a table below.
- (c) OCI before reclassifications to earnings related to net unrealized gains (losses) on defined benefit plans are presented net of an income tax provision of \$1.2 million for Fiscal 2021. The tax effects on OCI before reclassifications to earnings were immaterial for the other periods presented, and were immaterial for amounts reclassified from AOCI to earnings for all periods presented.
- (d) The Company generally releases income tax effects from AOCI when the corresponding pretax AOCI items are reclassified to earnings.

The following table presents reclassifications from AOCI to earnings for cash flow hedges, by component:

	Fiscal Years Ended			Location of Gains (Losses) Reclassified from AOCI to Earnings
	April 2, 2022	March 27, 2021	March 28, 2020	
	(millions)			
<b>Gains (losses) on cash flow hedges<sup>(a)</sup>:</b>				
FC — Cash flow hedges	\$ 3.8	\$ 12.6	\$ 24.9	Cost of goods sold
FC — Cash flow hedges	—	(0.3)	1.1	Other income (expense), net
Tax effect	(0.5)	(1.9)	(2.6)	Income tax benefit (provision)
<b>Net of tax</b>	<b>\$ 3.3</b>	<b>\$ 10.4</b>	<b>\$ 23.4</b>	

<sup>(a)</sup> FC = Forward foreign currency exchange contracts.

## 18. Stock-based Compensation

### *Long-term Stock Incentive Plans*

On August 1, 2019, the Company's shareholders approved the 2019 Long-Term Stock Incentive Plan (the "2019 Incentive Plan"), which replaced the Company's Amended and Restated 2010 Long-Term Stock Incentive Plan (the "2010 Incentive Plan"). The 2019 Incentive Plan provided for 1.2 million of new shares authorized for issuance to the participants, in addition to the approximately 3.0 million shares that remained available for issuance under the 2010 Incentive Plan as of August 1, 2019. In addition, any outstanding awards under the 2010 Incentive Plan or the Company's 1997 Long-Term Stock Incentive Plan (the "1997 Incentive Plan") that expire, are forfeited, or are surrendered to the Company in satisfaction of taxes, will become available for issuance under the 2019 Incentive Plan. The 2019 Incentive Plan became effective August 1, 2019 and no further grants will be made under the 2010 Incentive Plan. Outstanding awards issued prior to August 1, 2019 will continue to remain subject to the terms of the 2010 Incentive Plan or 1997 Incentive Plan, as applicable. As of April 2, 2022, 3.2 million shares remained available for future issuance under the Company's incentive plans.

Stock-based compensation awards that may be made under the 2019 Incentive Plan include, but are not limited to, (i) RSUs, (ii) restricted stock, and (iii) stock options. During the fiscal periods presented, annual grants consisted entirely of RSUs. For RSUs granted to retirement-eligible employees, or employees who become retirement-eligible prior to the end of the awards' respective stated vesting periods, vesting continues post-retirement for all or a portion of the remaining unvested RSUs.

### *Impact on Results*

A summary of total stock-based compensation expense and the related income tax benefits recognized is as follows:

	Fiscal Years Ended			(millions)
	April 2, 2022	March 27, 2021	March 28, 2020	
Compensation expense <sup>(a)</sup>	\$ 81.7	\$ 72.7	\$ 100.6	
Income tax benefit	(13.0)	(12.4)	(15.3)	

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

<sup>(a)</sup> Fiscal 2022 and Fiscal 2020 include \$2.0 million and \$3.6 million, respectively, of accelerated stock-based compensation expense recorded within restructuring and other charges, net in the consolidated statements of operations (see Note 9). All other stock-based compensation expense was recorded within SG&A expenses.

The Company issues its annual grants of stock-based compensation awards in the first half of each fiscal year. Due to the timing of the annual grants and other factors, including the timing and magnitude of forfeiture and performance goal achievement adjustments, as well as changes to the size and composition of the eligible employee population, stock-based compensation expense recognized during any given fiscal period is not indicative of the level of compensation expense expected to be incurred in future periods.

***Service-based RSUs***

Service-based RSUs granted to certain of the Company's senior executives and other employees, as well as non-employee directors, generally vest over a three-year period, subject to the employee's continuing employment (except for awards granted to retirement-eligible employees, or employees who become retirement-eligible prior to the end of the awards' respective stated vesting periods, as previously discussed). The fair values of service-based RSUs are based on the fair value of the Company's Class A common stock on the date of grant, adjusted to reflect the absence of dividends for any awards for which dividend equivalent amounts do not accrue while outstanding and unvested.

A summary of service-based RSU activity during Fiscal 2022 is as follows:

	Service-based RSUs	
	Number of Shares (thousands)	Weighted-Average Grant Date Fair Value
Nonvested at March 27, 2021	1,809	\$ 77.20
Granted	555	117.33
Vested	(617)	86.76
Forfeited	(181)	82.32
Nonvested at April 2, 2022	<u>1,566</u>	<u>\$ 87.07</u>
Total unrecognized compensation expense at April 2, 2022 (millions)		\$ 47.9
Weighted-average period expected to be recognized over (years)		1.3

Additional information pertaining to service-based RSU activity is as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
<i>Service-based RSUs:</i>			
Weighted-average grant date fair value of awards granted	\$ 117.33	\$ 64.55	\$ 102.27
Total fair value of awards vested (millions)	\$ 79.5	\$ 33.4	\$ 52.5

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

***Performance-based RSUs***

The Company grants performance-based RSUs to its senior executives and other key employees. The fair values of performance-based RSUs are based on the fair value of the Company's Class A common stock on the date of grant, adjusted to reflect the absence of dividends for any awards for which dividend equivalent amounts do not accrue while outstanding and unvested. Performance-based RSUs generally vest (i) upon the completion of a three-year period of time (cliff vesting), subject to the employee's continuing employment (except for awards granted to retirement-eligible employees, or employees who become retirement-eligible prior to the end of the awards' respective stated vesting periods, as previously discussed) and the Company's achievement of certain performance goals established at the beginning of the three-year performance period or (ii) ratably, over a three-year period of time (graded vesting), subject to the employee's continuing employment during the applicable vesting period (except for awards granted to retirement-eligible employees, or employees who become retirement-eligible prior to the end of the awards' respective stated vesting periods, as previously discussed) and the achievement by the Company of certain performance goals in the initial year of the three-year vesting period.

For performance-based RSUs subject to cliff vesting, the number of shares that may be earned ranges between 0% (if the specified threshold performance level is not attained) and 200% (if performance meets or exceeds the maximum achievement level) of the awards originally granted. If actual performance exceeds the pre-established threshold, the number of shares earned is calculated based on the relative performance between specified levels of achievement.

No performance-based awards were granted during Fiscal 2021 as the Company elected to temporarily issue service-based RSUs in lieu of performance-based RSUs as a result of business disruptions and uncertainty created by the COVID-19 pandemic. Additionally, performance metrics of certain cliff-vesting performance-based RSUs granted during prior years were changed during Fiscal 2021 and their related payout ranges lowered, with no resulting incremental compensation cost.

***Market-based RSUs***

The Company grants cliff vesting RSU awards to its senior executives and other key employees, which, in addition to being subject to continuing employment requirements (except for awards granted to retirement-eligible employees, or employees who become retirement-eligible prior to the end of the awards' respective stated vesting periods, as previously discussed), are also subject to a market condition based on a TSR performance metric. The number of shares that vest upon the completion of a three-year period of time is determined by comparing the Company's TSR relative to that of a pre-established peer group over the related three-year performance period. Depending on the Company's level of achievement against its TSR performance goals, the number of shares that ultimately vest may range from 0% to 200% of the awards originally granted.

The Company estimates the fair value of its TSR awards on the date of grant using a Monte Carlo simulation, which models multiple stock price paths of the Company's Class A common stock and that of its peer group to evaluate and determine its ultimate expected relative TSR performance ranking. Compensation expense, net of estimated forfeitures, is recorded regardless of whether, and the extent to which, the market condition is ultimately satisfied. No such awards were granted during Fiscal 2021 as the Company elected to temporarily issue service-based RSUs in lieu of performance-based RSUs as a result of business disruptions and uncertainty created by the COVID-19 pandemic.

The assumptions used to estimate the fair value of TSR awards granted were as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
Expected volatility	46.8 %	N/A	31.4 %
Expected dividend yield	2.2 %	N/A	3.2 %
Risk-free interest rate	0.4 %	N/A	1.4 %
Weighted-average grant date fair value	\$ 146.46	N/A	\$ 90.59

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

A summary of performance-based RSU activity including TSR awards during Fiscal 2022 is as follows:

	Performance-based RSUs	
	Number of Shares (thousands)	Weighted-Average Grant Date Fair Value
Nonvested at March 27, 2021	600	\$ 105.85
Granted	239	129.56
Change due to performance and/or market condition achievement	9	169.86
Vested	(229)	140.16
Forfeited	(77)	98.12
Nonvested at April 2, 2022	542	\$ 104.29
Total unrecognized compensation expense at April 2, 2022 (millions)		\$ 28.6
Weighted-average period expected to be recognized over (years)		1.9

Additional information pertaining to performance-based RSU activity including TSR awards is as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
<i>Performance-based RSUs:</i>			
Weighted-average grant date fair value of awards granted	\$ 129.56	N/A	\$ 85.80
Total fair value of awards vested (millions)	\$ 27.6	\$ 55.0	\$ 52.8

#### **Stock Options**

Stock options were previously granted to employees and non-employee directors with exercise prices equal to the fair market value of the Company's Class A common stock on the date of grant. Generally, options become exercisable ratably (graded-vesting schedule) over a three-year vesting period, subject to the employee's continuing employment. Stock options generally expire seven years from the date of grant. No stock options were granted or exercised during any of the fiscal years presented.

A summary of stock option activity during Fiscal 2022 is as follows:

	Number of Shares (thousands)	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term (years)	Aggregate Intrinsic Value <sup>(a)</sup> (millions)
Options outstanding at March 27, 2021	255	\$ 159.83	0.3	\$ —
Granted	—	N/A		
Exercised	—	N/A		
Cancelled/Forfeited	(255)	159.83		
Options outstanding at April 2, 2022	—	N/A	N/A	N/A
Options vested at April 2, 2022 <sup>(b)</sup>	—	N/A	N/A	N/A
Options exercisable at April 2, 2022	—	N/A	N/A	N/A

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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- (a) Aggregate intrinsic value is the amount by which the market price of the Company's Class A common stock at the end of the period exceeds the exercise price of the stock option, multiplied by the number of options.
- (b) There were no nonvested stock options as of April 2, 2022. Accordingly, there was no related unrecognized compensation expense as of April 2, 2022.

## **19. Employee Benefit Plans**

### ***Defined Contribution Plans***

The Company sponsors defined contribution benefit plans covering substantially all eligible employees in the U.S. and Puerto Rico who are not covered by a collective bargaining agreement. The plans include a savings plan feature under Section 401(k) of the Internal Revenue Code. The Company makes matching contributions to the plans equal to 50% of the first 6% of salary contributed by an eligible employee. Additionally, the Company makes a supplemental matching contribution for plan years in which the Company achieves an "above target" performance level based on certain goals established at the beginning of each fiscal year, increasing the matching contribution to between 67% and 100% depending on the performance level achieved, of the first 6% of salary contributed by eligible employees, not to exceed the maximum contribution permitted by the plan.

Under the terms of the plans, a participant becomes 100% vested in the Company's matching contributions after five years of credited service. Contributions made by the Company under these plans were \$12.9 million, \$9.8 million, and \$8.7 million in Fiscal 2022, Fiscal 2021, and Fiscal 2020, respectively.

### ***International Defined Benefit Plans***

The Company sponsors certain single-employer defined benefit plans and cash balance plans at international locations which are not considered to be material individually or in the aggregate to the Company's financial statements. Pension benefits under these plans are based on formulas that reflect the employees' years of service and compensation levels during their employment period. The aggregate funded status of the single-employer defined benefit plans reflected net assets of \$2.5 million and \$0.7 million as of April 2, 2022 and March 27, 2021, respectively, and were primarily recorded within other non-current assets in the consolidated balance sheets. These single-employer defined benefit plans had aggregate fair values of plan assets of \$48.6 million and aggregate projected benefit obligations of \$46.1 million as of April 2, 2022, compared to aggregate fair values of plan assets of \$56.8 million and aggregate projected benefit obligations of \$56.1 million as of March 27, 2021. The asset portfolio of the single-employer defined benefit plans primarily consists of fixed income securities, which have been measured at fair value largely using Level 2 inputs, as described in Note 12. Net pension expense for these plans was \$4.6 million, \$5.1 million, and \$5.0 million in Fiscal 2022, Fiscal 2021, and Fiscal 2020, respectively. The service cost component of \$4.8 million, \$5.9 million, and \$4.7 million in Fiscal 2022, Fiscal 2021, and Fiscal 2020, respectively, was recorded within SG&A expenses in the consolidated statements of operations. All other components of net pension expense during the fiscal years presented were recorded within other income (expense), net, in the consolidated statement of operations.

### ***Union Pension Plan***

The Company participates in a multi-employer pension plan and is required to make contributions to the Workers United union (which was previously known as UNITE HERE) (the "Union") for dues based on wages paid to union employees. A portion of these dues is allocated by the Union to a retirement fund which provides defined benefits to substantially all unionized workers. The Company does not participate in the management of the plan and has not been furnished with information with respect to the type of benefits provided, vested and non-vested benefits, or assets.

Under the Employee Retirement Income Security Act of 1974, as amended, an employer, upon withdrawal from or termination of a multi-employer plan, is required to continue funding its proportionate share of the plan's unfunded vested benefits. Such liability was assumed in conjunction with the acquisition of certain assets from a non-affiliated licensee. The Company has no current intention of withdrawing from the plan.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**20. Segment Information**

The Company has three reportable segments based on its business activities and organization:

- *North America* — The North America segment primarily consists of sales of Ralph Lauren branded apparel, footwear, accessories, home furnishings, and related products made through the Company's retail and wholesale businesses in the U.S. and Canada. In North America, the Company's retail business is primarily comprised of its Ralph Lauren stores, its factory stores, and its digital commerce site, [www.RalphLauren.com](http://www.RalphLauren.com). The Company's wholesale business in North America is comprised primarily of sales to department stores and, to a lesser extent, specialty stores.
- *Europe* — The Europe segment primarily consists of sales of Ralph Lauren branded apparel, footwear, accessories, home furnishings, and related products made through the Company's retail and wholesale businesses in Europe and emerging markets. In Europe, the Company's retail business is primarily comprised of its Ralph Lauren stores, its factory stores, its concession-based shop-within-shops, and its various digital commerce sites. The Company's wholesale business in Europe is comprised primarily of a varying mix of sales to both department stores and specialty stores, depending on the country, as well as to various third-party digital partners.
- *Asia* — The Asia segment primarily consists of sales of Ralph Lauren branded apparel, footwear, accessories, home furnishings, and related products made through the Company's retail and wholesale businesses in Asia, Australia, and New Zealand. The Company's retail business in Asia is primarily comprised of its Ralph Lauren stores, its factory stores, its concession-based shop-within-shops, and its various digital commerce sites. In addition, the Company sells its products online through various third-party digital partner commerce sites. The Company's wholesale business in Asia is comprised primarily of sales to department stores, with related products distributed through shop-within-shops.

No operating segments were aggregated to form the Company's reportable segments. In addition to these reportable segments, the Company also has other non-reportable segments, which primarily consist of Ralph Lauren and Chaps branded royalty revenues earned through its global licensing alliances. In addition, prior to its disposition at the end of the Company's first quarter of Fiscal 2022, other non-reportable segments also included sales of Club Monaco branded products made through the Company's retail and wholesale businesses in the U.S., Canada, and Europe, and its licensing alliances in Asia. Refer to Note 9 for additional discussion regarding the disposition of the Company's former Club Monaco business, as well as the recent transition of its Chaps business to a fully licensed business model.

The Company's segment reporting structure is consistent with how it establishes its overall business strategy, allocates resources, and assesses performance of its business. The accounting policies of the Company's segments are consistent with those described in Notes 2 and 3. Sales and transfers between segments are generally recorded at cost and treated as transfers of inventory. All intercompany revenues are eliminated in consolidation and are not reviewed when evaluating segment performance. Each segment's performance is evaluated based upon net revenues and operating income before restructuring-related charges, impairment of assets, and certain other one-time items, if any. Certain corporate overhead expenses related to global functions, most notably the Company's executive office, information technology, finance and accounting, human resources, and legal departments, largely remain at corporate. Additionally, other costs that cannot be allocated to the segments based on specific usage are also maintained at corporate, including corporate advertising and marketing expenses, depreciation and amortization of corporate assets, and other general and administrative expenses resulting from corporate-level activities and projects. Asset information by segment is not utilized for purposes of assessing performance or allocating resources, and therefore such information has not been presented.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Net revenues for each of the Company's segments are as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
<b>Net revenues:</b>			
North America	\$ 2,968.2	\$ 1,992.4	\$ 3,140.5
Europe	1,780.7	1,165.9	1,632.2
Asia	1,286.8	1,027.5	1,017.2
Other non-reportable segments	182.8	215.0	369.9
Total net revenues	\$ 6,218.5	\$ 4,400.8	\$ 6,159.8

Operating income (loss) for each of the Company's segments is as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
<b>Operating income (loss)<sup>(a)</sup>:</b>			
North America	\$ 676.7	\$ 334.0	\$ 456.0
Europe	444.0	189.3	336.3
Asia	228.8	148.2	124.8
Other non-reportable segments	138.4	32.4	85.2
	1,487.9	703.9	1,002.3
Unallocated corporate expenses	(667.3)	(577.0)	(618.1)
Unallocated restructuring and other charges, net <sup>(b)</sup>	(22.2)	(170.5)	(67.2)
Total operating income (loss)	\$ 798.4	\$ (43.6)	\$ 317.0

<sup>(a)</sup> Segment operating income during Fiscal 2021 reflects bad debt expense reversals of \$22.0 million, \$4.8 million, \$0.3 million, and \$0.5 million related to North America, Europe, Asia, and other non-reportable segments, respectively, primarily related to adjustments to reserves previously established in connection with COVID-19 business disruptions. Segment operating income during Fiscal 2020 reflects bad debt expense of \$38.7 million, \$15.2 million, \$1.7 million, and \$3.1 million related to North America, Europe, Asia, and other non-reportable segments, respectively, primarily related to adverse impacts associated with COVID-19 business disruptions. Segment operating income during Fiscal 2020 also reflects higher inventory charges of approximately \$108 million, \$42 million, \$17 million, and \$8 million as compared to the prior fiscal year related to North America, Europe, Asia, and other non-reportable segments, respectively, primarily related to adverse impacts associated with COVID-19 business disruptions. Segment operating income and unallocated corporate expenses during the fiscal years presented also included asset impairment charges (see Note 8), which are detailed below:

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
<b>Asset impairment charges:</b>			
North America	\$ (2.4)	\$ (12.2)	\$ (1.9)
Europe	—	(24.3)	—
Asia	(1.1)	(1.4)	(3.7)
Other non-reportable segments	(0.3)	(18.2)	(19.3)
Unallocated corporate expenses	(17.5)	(39.9)	(6.7)
Total asset impairment charges	<u><u>\$ (21.3)</u></u>	<u><u>\$ (96.0)</u></u>	<u><u>\$ (31.6)</u></u>

(b) The fiscal years presented included certain unallocated restructuring and other charges, net (see Note 9), which are detailed below:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
<b>Unallocated restructuring and other charges, net:</b>			
North America-related	\$ 0.1	\$ (22.4)	\$ (1.2)
Europe-related	2.1	(30.0)	(3.3)
Asia-related	2.8	(7.4)	(0.9)
Other non-reportable segment-related	(0.1)	(3.3)	(0.8)
Corporate operations-related	(8.9)	(96.0)	(31.4)
Unallocated restructuring charges	(4.0)	(159.1)	(37.6)
Other charges (see Note 9)	(18.2)	(11.4)	(29.6)
Total unallocated restructuring and other charges, net	<u><u>\$ (22.2)</u></u>	<u><u>\$ (170.5)</u></u>	<u><u>\$ (67.2)</u></u>

The following tables summarize depreciation and amortization expense and capital expenditures for each of the Company's segments:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
<b>Depreciation and amortization expense:</b>			
North America	\$ 72.8	\$ 73.4	\$ 74.6
Europe	32.3	31.6	32.8
Asia	51.9	56.3	59.3
Other non-reportable segments	0.4	4.3	5.4
Unallocated corporate	72.3	82.0	97.4
Total depreciation and amortization expense	<u><u>\$ 229.7</u></u>	<u><u>\$ 247.6</u></u>	<u><u>\$ 269.5</u></u>

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
<b>Capital expenditures:</b>			
North America	\$ 36.6	\$ 23.8	\$ 48.5
Europe	39.0	16.9	34.3
Asia	49.1	41.2	59.6
Other non-reportable segments	1.8	2.4	7.3
Unallocated corporate	40.4	23.5	120.6
Total capital expenditures	<u>\$ 166.9</u>	<u>\$ 107.8</u>	<u>\$ 270.3</u>

Net revenues and long-lived assets by geographic location of the reporting subsidiary are as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
<b>Net revenues<sup>(a)</sup>:</b>			
The Americas <sup>(b)</sup>	\$ 3,164.5	\$ 2,208.4	\$ 3,516.4
Europe <sup>(c)</sup>	1,766.1	1,164.3	1,625.3
Asia <sup>(d)</sup>	1,287.9	1,028.1	1,018.1
Total net revenues	<u>\$ 6,218.5</u>	<u>\$ 4,400.8</u>	<u>\$ 6,159.8</u>

	April 2, 2022	March 27, 2021
	(millions)	
<b>Long-lived assets<sup>(a)</sup>:</b>		
The Americas <sup>(b)</sup>	\$ 1,068.9	\$ 1,253.6
Europe <sup>(c)</sup>	698.2	682.1
Asia <sup>(d)</sup>	313.7	317.8
Total long-lived assets	<u>\$ 2,080.8</u>	<u>\$ 2,253.5</u>

- <sup>(a)</sup> For certain of the Company's licensed operations, net revenues and long-lived assets, which is comprised of property and equipment and lease ROU assets, are included within the geographic location of the reporting subsidiary which holds the respective license.
- <sup>(b)</sup> Includes the U.S., Canada, and Latin America. Net revenues earned in the U.S. were \$3.039 billion, \$2.103 billion, and \$3.308 billion in Fiscal 2022, Fiscal 2021, and Fiscal 2020, respectively. Long-lived assets located in the U.S. were \$1.057 billion and \$1.210 billion as of April 2, 2022 and March 27, 2021, respectively.
- <sup>(c)</sup> Includes the Middle East.
- <sup>(d)</sup> Includes Australia and New Zealand.

**RALPH LAUREN CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**21. Additional Financial Information**

***Reconciliation of Cash, Cash Equivalents, and Restricted Cash***

A reconciliation of cash, cash equivalents, and restricted cash as of April 2, 2022 and March 27, 2021 from the consolidated balance sheets to the consolidated statements of cash flows is as follows:

	April 2, 2022	March 27, 2021
	(millions)	
Cash and cash equivalents	\$ 1,863.8	\$ 2,579.0
Restricted cash included within prepaid expenses and other current assets	1.6	1.5
Restricted cash included within other non-current assets	6.6	7.5
Total cash, cash equivalents, and restricted cash	\$ 1,872.0	\$ 2,588.0

Restricted cash relates to cash held in escrow with certain banks as collateral, primarily to secure guarantees in connection with certain international tax matters and real estate leases.

***Cash Paid for Interest and Taxes***

Cash paid for interest and income taxes is as follows:

	Fiscal Years Ended		
	April 2, 2022	March 27, 2021	March 28, 2020
	(millions)		
Cash paid for interest	\$ 46.6	\$ 33.5	\$ 15.4
Cash paid for income taxes, net of refunds	216.3	47.8	135.5

***Non-cash Transactions***

Operating lease ROU assets recorded in connection with the recognition of new lease liabilities was \$287.4 million during Fiscal 2022. No finance lease ROU assets were recorded in connection with the recognition of new lease liabilities during Fiscal 2022. Operating and finance lease ROU assets recorded in connection with the recognition of new lease liabilities were \$66.7 million and \$133.2 million, respectively, during Fiscal 2021 and \$374.0 million and \$64.0 million, respectively, during Fiscal 2020. Additionally, \$55.7 million of operating lease ROU assets were reclassified and reflected as finance lease ROU assets as a result of certain lease amendments executed during Fiscal 2021.

Non-cash investing activities also included capital expenditures incurred but not yet paid of \$49.6 million, \$21.3 million, and \$29.1 million as of the end of Fiscal 2022, Fiscal 2021, and Fiscal 2020, respectively.

Non-cash financing activities included the conversion of 1.0 million shares of Class B common stock into an equal number of shares of Class A common stock during Fiscal 2020, as discussed in Note 16.

There were no other significant non-cash investing or financing activities for any of the fiscal years presented.

## **MANAGEMENT'S REPORT ON RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The management of Ralph Lauren Corporation is responsible for the preparation, objectivity, and integrity of the consolidated financial statements and other information contained in this Annual Report. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and include some amounts that are based on management's informed judgments and best estimates.

These consolidated financial statements have been audited by Ernst & Young LLP in Fiscal 2022, Fiscal 2021, and Fiscal 2020, which is an independent registered public accounting firm. They conducted their audits in accordance with the standards of the Public Company Accounting Oversight Board (United States) and have expressed herein their unqualified opinions on those financial statements.

The Audit Committee of the Board of Directors, which oversees all of the Company's financial reporting process on behalf of the Board of Directors, consists solely of independent directors, meets with the independent registered accountants, internal auditors, and management periodically to review their respective activities and the discharge of their respective responsibilities. Both the independent registered public accountants and the internal auditors have unrestricted access to the Audit Committee, with or without management, to discuss the scope and results of their audits and any recommendations regarding the system of internal controls.

May 24, 2022

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/s/ PATRICE LOUVENT

Patrice Louvet

*President and Chief Executive Officer  
(Principal Executive Officer)*

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/s/ JANE HAMILTON NIELSEN

Jane Hamilton Nielsen

*Chief Operating Officer and Chief Financial Officer  
(Principal Financial and Accounting Officer)*

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Shareholders of Ralph Lauren Corporation

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Ralph Lauren Corporation (the "Company") as of April 2, 2022 and March 27, 2021, and the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for each of the three years in the period ended April 2, 2022, and the related notes (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 April 2, 2022 and March 27, 2021, and the results of its operations and its cash flows for each of the three years in the period ended April 2, 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 April 2, 2022, based on the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated May 24, 2022 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 Matters**

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

#### **End-of-season Markdown Reserves**

##### *Description of the Matter*

As disclosed in Note 3 of the consolidated financial statements, estimates for end-of-season markdown reserves are based on historical trends, actual and forecasted seasonal results, an evaluation of current economic and market conditions, retailer performance, and, in certain cases, contractual terms.

Auditing management's estimate of end-of-season markdown reserves was complex and judgmental as reserve amounts are sensitive to changes in market or economic conditions (including the effects of the global pandemic), and have a direct, material impact on the amount of revenue recognized by the Company. There is also significant estimation required to establish markdown reserve rates by brand and customer, which are based on the Company's review of the seasonal negotiations with each customer and the expected performance of the products in the customers' stores.

*How We Addressed  
the Matter in Our  
Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls over the Company's process to calculate the end-of-season markdown reserves, including the consideration of historical experience, actual and forecasted seasonal results, current economic and market conditions, (including the effects of the global pandemic), retailer performance, and contractual terms as applicable.

To test the estimate of end-of-season markdown reserves, we performed audit procedures that included, among others, assessing methodologies and testing the assumptions regarding seasonal negotiations with each customer which include the application of market and economic conditions to individual customers and the expected performance of the products in the customers' stores that were used by the Company to calculate the projected markdown allowances to be issued upon settlement. We compared the significant assumptions used by management to current market and economic trends, historical results and other relevant factors. We assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to substantively test the changes in the estimate that would result from reasonable changes in the assumptions.

**Estimated Realizable Value of Inventory**

*Description of the  
Matter*

As of April 2, 2022, the Company's net inventory balance was \$977.3 million. As described in Note 3 to the consolidated financial statements, the valuation of inventory requires management to make assumptions and judgments about the recoverability of inventory and its estimated realizable value.

The estimated realizable value of inventory is determined based on an analysis of historical sales trends, market trends and economic conditions (including the effects of the global pandemic), future sales forecasts, on-hand inventory quantities, and consideration of the value of existing customer orders for future sales of inventory. Given the importance of inventory to the Company's operations and the materiality of the balance, coupled with the judgment involved in estimating future sales, auditing management's estimated realizable value involved a higher extent of testing and the involvement of more senior members of the engagement team in executing, supervising and reviewing the results of the procedures.

*How We Addressed  
the Matter in Our  
Audit*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the process to determine the estimated realizable value of inventory, including controls over the inputs and assumptions used in management's calculation as described above.

Our audit procedures to test the estimated realizable value of inventory included, among others, evaluating the appropriateness of management's inputs to the calculation, including testing the completeness and accuracy of the data used in management's calculation such as historical sales activity and loss rates for each class of inventory, write-off activity, on-hand inventory levels and inventory aging. Our procedures also included testing the completeness of any expected net losses on firm commitments to purchase inventory. To evaluate management's ability to accurately estimate future sales projections, which is also a key factor in the determination of the reserve, we retrospectively reviewed actual sales compared to projections and considered the impact of the global pandemic on market trends and economic conditions. We also tested the mathematical accuracy of the Company's calculation.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2008.

New York, New York  
May 24, 2022

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Board of Directors and Shareholders of Ralph Lauren Corporation

### **Opinion on Internal Control over Financial Reporting**

We have audited Ralph Lauren Corporation's internal control over financial reporting as of April 2, 2022, 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, Ralph Lauren Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of April 2, 2022, based on the COSO criteria.

We have also 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 April 2, 2022 and March 27, 2021, and the related consolidated statements of operations, comprehensive income (loss), equity, and cash flows for each of the three years in the period ended April 2, 2022, and the related notes and our report dated May 24, 2022 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

New York, New York  
May 24, 2022

**RALPH LAUREN CORPORATION****FORM OF NON-EMPLOYEE DIRECTOR  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

THIS AGREEMENT (the "Agreement"), is made, effective as of the \_\_\_\_\_ day of \_\_\_\_\_ (the "Grant Date"), between Ralph Lauren Corporation, a Delaware corporation (hereinafter called the "Company"), and \_\_\_\_\_ (hereinafter called the "Participant").

**R E C I T A L S:**

WHEREAS, the Company has adopted the Ralph Lauren Corporation 2019 Long-Term Stock Incentive Plan (the "Plan") which Plan is incorporated herein by reference and made a part of this Agreement. Capitalized terms not otherwise defined herein shall have the same meanings as in the Plan; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its stockholders to grant the restricted stock unit award provided for herein (the "Restricted Stock Unit Award" or "RSU Award") to each director of the Company who is not an employee of either the Company or any Affiliate (each, an "Outside Director") as a Participant pursuant to the Plan and the terms set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1. Grant of the Restricted Stock Units. Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, the Company hereby grants to the Participant a Restricted Stock Unit Award consisting of \_\_\_\_\_ Restricted Stock Units (hereinafter called the "RSUs"). The RSUs shall vest and become non-forfeitable in accordance with Section 2 hereof.

2. Vesting.

- (a) Subject to the Participant's continued service as an Outside Director of the Company through \_\_\_\_\_, the RSUs shall fully vest and become non-forfeitable on the \_\_\_\_\_ anniversary of the Grant Date.
- (b) Once vested, the RSUs shall be paid to Participant in Shares as soon as administratively practicable, but not later than thirty (30) days, after their applicable vesting date.
- (c) Notwithstanding the foregoing, in the event the above vesting schedule results in the vesting of any fractional Shares, such fractional Shares shall be payable in cash.
- (d) The RSUs shall be settled exclusively in Class A Common Stock of the Company.

(e) If the Participant's service as an Outside Director of the Company is terminated for any reason other than due to the Participant's death or Disability, the RSUs shall, to the extent not then vested, be forfeited by the Participant without consideration. In the event of the death or disability of the Participant, unvested RSUs shall continue to vest according to the original vesting schedule.

(f) Notwithstanding any other provision of this Agreement to the contrary, in the event of a Change of Control (as defined in the Plan), the RSUs shall, to the extent not then vested and not previously forfeited, immediately become fully vested as contemplated by Section 13 of the Plan.

### 3. Dividend Equivalents.

(a) The Participant shall be entitled to receive dividend equivalents on the RSUs in the event of an issuance of any cash or stock dividend on the Shares of the Company (a "Dividend"). The Participant shall be credited with an additional number of RSUs (each, a "Dividend RSU"), determined as follows:

- i. in the event of a cash dividend, equal to the quotient obtained by dividing: (a) the product of (i) the number of RSUs that the Participant holds at the time of the record date for such Dividend multiplied by (ii) the amount of the Dividend per Share, divided by (b) the fair market value per Share on the payment date for such Dividend; and
- ii. in the event of a stock dividend, equal to the number of Shares (including fractions thereof) issued with respect to each Share, multiplied by the number of RSUs.

(b) Once credited, each Dividend RSU shall be treated as a RSU hereunder and shall be subject to the same terms and conditions as the RSU from which such Dividend RSU is derived, including, but not limited to, the applicable vesting schedule and rights to Dividend RSUs with respect to future Dividends.

4. Rights as a Stockholder. Neither the Participant nor any person claiming under or through the Participant will have any of the rights or privileges of a stockholder of the Company in respect of any RSUs unless and until the RSUs have vested and been issued as Shares in accordance with the Plan, recorded on the records of the Company or its transfer agents or registrars, and delivered to the Participant. After such vesting, issuance, recordation, and delivery, the Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

5. No Right to Continued Service. Neither the Plan nor this Agreement shall be construed as giving the Participant the right to continue to serve as an Outside Director or to otherwise be retained in the employ of, or in any consulting relationship to, the Company or any Affiliate. Further, the Company may at any time for any reason terminate the Participant's services as an Outside Director and the Company or an Affiliate may dismiss the Participant or discontinue any employment or consulting relationship with the Participant, in each case free from any liability or any claim under the Plan or this Agreement, except as otherwise expressly provided herein.

6. Withholding. By accepting this RSU Award, the Participant agrees to make any appropriate arrangements with the Company for satisfaction of any applicable federal, state or local income

tax, withholding requirements or like requirements, including any payment to the Company upon the vesting of the RSUs (or such earlier or later date as may be applicable under Section 83 of the Internal Revenue Code of 1986, as amended (the “Code”)), or other settlement in respect of, the RSUs of all such taxes and requirements and the Company shall be authorized to take such action as may be necessary in the opinion of the Company’s counsel (including, without limitation, withholding vested Shares otherwise deliverable to Participant hereunder and/or withholding amounts from any compensation or other amount owing from the Company to the Participant ) to satisfy all obligations for the payment of such taxes.

7. No Advice Regarding Award. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant’s participation in the Plan, or his or her acquisition or sale of the underlying RSUs. The Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding the Participant’s participation in the Plan before taking any action related to the Plan.

8. Securities Laws. Upon the vesting of any RSUs, the Participant will make or enter into such written representations, warranties and agreements as the Committee may reasonably request in order to comply with applicable securities laws or with this Agreement.

9. Exchange Rates. Neither the Company nor any Affiliate shall be liable to a Participant for any foreign exchange rate fluctuation between the Participant’s local currency and the U.S. Dollar that may affect the value of the Participant’s RSUs or of any amounts due to the Participant pursuant to the vesting or other settlement of the RSUs or, if applicable, the subsequent sale of Shares acquired upon vesting.

10. Compliance with Section 409A. The parties acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with, and the parties agree to use their best efforts to achieve timely compliance with, Section 409A of the Code and the Department of Treasury Regulations and other interpretive guidance issued thereunder (“Section 409A”), including without limitation any such regulations or other guidance that may be issued after the Grant Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that anything provided hereunder may be subject to Section 409A, the Company reserves the right (without any obligation to do so or to indemnify the Participant for failure to do so) to adopt such limited amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company reasonably determines are necessary or appropriate to (a) exempt the RSU Award under this Agreement from Section 409A and/or preserve the intended tax treatment of the RSU Award provided with respect to this Agreement or (b) comply with the requirements of Section 409A.

11. Notices. Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the records of the Company with respect to such Participant or to either party at such other address as either party hereto may hereafter designate in writing to the other. Any such notice shall be deemed effective upon receipt thereof by the addressee.

12. Choice of Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to principles of conflict of laws. For

purposes of litigating any dispute that arises directly or indirectly from the relationship of the parties evidenced by this grant or the Agreement, the parties hereby submit to and consent to the exclusive jurisdiction of the State of New York and agree that such litigation shall be conducted only in the courts of New York County, New York, or the federal courts of the United States for the Southern District of New York, and no other courts.

13. Acknowledgements. By accepting this Agreement and the Award evidenced hereby, the Participant agrees and acknowledges that:

- a) the Participant has received and read a copy of the Plan, that the Plan forms a part of this Agreement, and that if there is a conflict between this Agreement and either the Plan or the provision under which the Plan is administered and governed by the Committee, the Plan and/or the determination of the Committee will govern, as applicable. This Agreement is qualified in its entirety based on the determinations, interpretations and other decisions made within the sole discretion of the Committee;
- b) the grant of RSUs is voluntary and occasional and does not create any contractual or other right to receive future RSUs, or benefits in lieu of these awards, even if RSUs have been granted in the past;
- c) the Participant is subject to the Company's Securities Trading Policy; and
- d) no claim or entitlement to compensation or damages shall arise from the forfeiture of the RSUs (either in whole or in part) resulting from the Participant's termination of service, other than due to the Participant's death or Disability.

RALPH LAUREN CORPORATION

By: \_\_\_\_\_

This Non-Employee Director Restricted Stock Unit Award Agreement effective as of \_\_\_\_\_ has been accepted by, and agreed to:

---

CREDIT AGREEMENT<sup>1</sup>

dated as of

August 12, 2019

among

RALPH LAUREN CORPORATION, RL FINANCE B.V., RALPH LAUREN EUROPE SÀRL and RALPH LAUREN ASIA PACIFIC LIMITED,  
as Borrowers,

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent

BANK OF AMERICA, N.A.,  
as Syndication Agent

and

WELLS FARGO BANK, N.A., HSBC BANK USA, N.A., ING BANK N.V., DUBLIN BRANCH, and DEUTSCHE BANK SECURITIES INC.,  
as Co-Documentation Agents

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JPMORGAN CHASE BANK, N.A. and  
BOFA SECURITIES, INC.,  
as Bookrunners and Lead Arrangers

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<sup>1</sup> Conformed for the Second Amendment, dated as of January 3, 2022 and the Third Amendment, dated as of March 18, 2022

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Exhibit E-4 -- Form of U.S. Tax Compliance Certificate for Non-U.S. Participants that are Partnerships for U.S. Federal Income Tax Purposes

CREDIT AGREEMENT, dated as of August 12, 2019 (this “Agreement”), as amended, among RALPH LAUREN CORPORATION, RL FINANCE B.V., RALPH LAUREN EUROPE SARL, RALPH LAUREN ASIA PACIFIC LIMITED, the LENDERS party hereto, BANK OF AMERICA, N.A., as Syndication Agent, WELLS FARGO BANK, N.A., HSBC BANK USA, N.A., ING BANK N.V., DUBLIN BRANCH and DEUTSCHE BANK SECURITIES INC., as Co-Documentation Agents, and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The parties hereto hereby agree as follows:

## ARTICLE I

### DEFINITIONS

#### SECTION 1.01. **Defined Terms.**

As used in this Agreement, the following terms have the meanings specified below:

“364-Day Credit Agreement” means the 364-Day Credit Agreement, dated as of May 26, 2020, among the Parent Borrower, the Subsidiary Borrowers, JPMorgan Chase Bank, N.A., as administrative agent and the other parties party thereto, as in effect on the First Amendment Effective Date.

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate. Only Loans denominated in dollars may be ABR Loans.

“Additional Commitment Lender” has the meaning assigned to such term in Section 2.20(d).

“Additional Specified Notes Indebtedness” means one or more series of senior unsecured notes or subordinated notes, in the case of securities, whether issued in a public offering, Rule 144A or other private placement in lieu of the foregoing or otherwise, which Indebtedness is issued or incurred by a Loan Party pursuant to an indenture, note purchase agreement or otherwise; provided that (i) such Additional Specified Notes Indebtedness shall not be subject to any Guarantee by any Person other than a Loan Party, (ii) both immediately before and immediately after the incurrence of such Additional Specified Notes Indebtedness, no Event of Default shall have occurred and be continuing on the date such Additional Specified Notes Indebtedness is incurred, (iii) the aggregate amount of Additional Specified Notes Indebtedness that matures earlier than the date that is 91 days after the Maturity Date shall not exceed \$500,000,000, (iv) the covenants and events of default applicable to such Additional Specified Notes Indebtedness (taken as a whole) shall be reflective of market terms and conditions for the type of Indebtedness incurred or issued at the time of issuance or incurrence thereof (as determined by the Parent Borrower in good faith) and (v) such Indebtedness shall be incurred during the Specified Period.

“Additional Specified Stimulus Indebtedness” means senior unsecured or subordinated Indebtedness incurred pursuant to a credit or financial support program of or

backed by a Governmental Authority with the intent to mitigate through liquidity or other financial relief the impact of the Coronavirus pandemic on the business and operations of the Parent Borrower and its Subsidiaries; *provided* that (i) the aggregate principal amount of all such Additional Specified Stimulus Indebtedness shall not exceed \$100,000,000, (ii) such Additional Specified Stimulus Indebtedness shall not be subject to any Guarantee by any Person other than a Loan Party, (iii) both immediately before and immediately after the incurrence of such Additional Specified Stimulus Indebtedness, no Event of Default shall have occurred and be continuing on the date such Additional Specified Stimulus Indebtedness is incurred, (iv) the covenants and events of default applicable to such Additional Specified Stimulus Indebtedness (taken as a whole) shall be reflective of market terms and conditions for the type of Indebtedness incurred or issued pursuant to the applicable credit or financial support program at the time of issuance or incurrence thereof (as determined by the Parent Borrower in good faith) and (v) such Indebtedness shall be incurred during the Specified Period.

“Adjusted Daily Simple RFR” means, with respect to an RFR Borrowing, an interest rate per annum equal to (a) the Daily Simple RFR, *plus* (b) 0.10%; *provided that* if the Adjusted Daily Simple RFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Adjusted Debt” means, for any date, for the Parent Borrower and its Subsidiaries, all Indebtedness *plus* all Operating Lease Obligations (in each case, computed on a consolidated basis) outstanding on such date.

“Adjusted EURIBOR Rate” means, with respect to any Term Benchmark Borrowing denominated in Euros for any Interest Period, an interest rate per annum equal to (a) the EURIBOR Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; *provided that* if the Adjusted EURIBOR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Adjusted HKD Rate” means, with respect to any Term Benchmark Borrowing denominated in Hong Kong Dollars for any Interest Period, an interest rate per annum equal to (a) the HKD Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; *provided that* if the Adjusted HKD Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Adjusted Term SOFR Rate” means, with respect to any Term Benchmark Borrowing denominated in Dollars for any Interest Period, an interest rate per annum equal to (a) the Term SOFR Rate for such Interest Period, *plus* (b) 0.10%; *provided that* if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Adjusted TIBOR Rate” means, with respect to any Term Benchmark Borrowing denominated in Yen for any Interest Period, an interest rate per annum equal to (a) the TIBOR Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; *provided that* if the Adjusted TIBOR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

**“Administrative Agent”** means JPMorgan in its capacity as administrative agent for the Lenders hereunder, together with any non-U.S. Affiliate of JPMorgan, to the extent that JPMorgan determines that it is necessary or appropriate to use such non-U.S. Affiliate in acting as administrative agent hereunder. Any obligations owed by any Borrower to the Administrative Agent hereunder shall be owed solely to JPMorgan, and not to any Affiliate of JPMorgan, unless such Borrower otherwise agrees in writing.

**“Administrative Questionnaire”** means an Administrative Questionnaire in a form supplied by the Administrative Agent.

**“Affected Financial Institution”** means (a) any EEA Financial Institution or (b) any UK Financial Institution.

**“Affiliate”** means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

**“Agent Party”** has the meaning assigned to such term in Section 10.01(d).

**“Agreed Currencies”** means Dollars and each Alternative Currency.

**“Agreement Currency”** has the meaning assigned to such term in Section 10.13(b).

**“Alternate Base Rate”** means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus  $\frac{1}{2}$  of 1% and (c) the Adjusted Term SOFR Rate for a one month Interest Period as published two U.S. Government Securities Business Days prior to such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted Term SOFR Rate for any day shall be based on the Term SOFR Reference Rate at approximately 5:00 a.m. Chicago time on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted Term SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.12 (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.12(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.75%, such rate shall be deemed to be 1.75% for purposes of this Agreement.

**“Alternative Currency”** means (a) Euros, Hong Kong Dollars and Yen and (b) any other currency (other than dollars) that is freely available, freely transferable and freely convertible into dollars, *provided* that such currency is reasonably acceptable to the Administrative Agent, the Lenders and, in the case of an Alternative Currency Letter of Credit, the applicable Issuing Bank.

**“Alternative Currency LC Exposure”** means, at any time, the sum of (a) the Dollar Equivalent, calculated in accordance with Section 1.05, of the aggregate undrawn and unexpired amount of all outstanding Alternative Currency Letters of Credit at such time plus (b) the Dollar Equivalent, calculated in each case using the Exchange Rate at the time the applicable LC Disbursement is made, of the aggregate principal amount of all LC Disbursements in respect of Alternative Currency Letters of Credit that have not yet been reimbursed at such time.

**“Alternative Currency Letter of Credit”** means a Letter of Credit denominated in an Alternative Currency.

**“Ancillary Document”** has the meaning assigned to such term in Section 10.06(b).

**“Anti-Corruption Laws”** means all laws, rules, and regulations of any jurisdiction applicable to the Parent Borrower or any of its Affiliates from time to time concerning or relating to bribery or corruption.

**“Applicable Percentage”** means, with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitment; provided that for purposes of Section 2.19 “Applicable Percentage” shall mean the percentage of the total Commitment (disregarding any Defaulting Lender’s Commitment) represented by each Lender’s Commitment. If the Commitments have terminated or expired, “Applicable Percentage” shall mean, with respect to any Lender, the percentage of the aggregate principal amount of the Revolving Credit Exposure represented by the aggregate outstanding principal amount of such Lender’s Revolving Credit Exposure.

**“Applicable Rate”** means, for any day, with respect to any Term Benchmark Loan, RFR Loan, ABR Loan, or with respect to the commitment fees payable hereunder, or with respect to the Applicable Commercial Letter of Credit Rate, or with respect to the Applicable Standby Letter of Credit Rate, as the case may be, the applicable rate per annum set forth below (expressed in basis points) under the caption “Term Benchmark Spread”, “RFR Spread”, “ABR Spread” or “Commitment Fee Rate” or “Applicable Commercial Letter of Credit Rate” or “Applicable Standby Letter of Credit Rate”, as the case may be, based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt:

<u>Level</u>	<u>Index Debt Ratings</u>	<u>Term Benchmark and RFR Spread</u>	<u>ABR Spread</u>	<u>Commitment Fee Rate</u>	<u>Applicable Standby Letter of Credit Rate</u>	<u>Applicable Commercial Letter of Credit Rate</u>
Level I	≥ AA- by S&P or Aa3 by Moody's	50.00	50.00	4.00	50.00	25.00
Level II	A+ by S&P or A1 by Moody's and not Level I	62.50	62.50	5.00	62.50	31.25
Level III	A by S&P or A2 by Moody's and not Level I or II	75.00	75.00	6.50	75.00	37.50
Level IV	A- by S&P or A3 by Moody's and not Level I, II or III	87.50	87.50	9.00	87.50	43.75
Level V	< A- by S&P or A3 by Moody's	100.00	100.00	10.00	100.00	50.00

For purposes of the foregoing, (i) if both Moody's and S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the next-to-last sentence of this definition), then such rating agency shall be deemed to have established a rating for the Index Debt in Level V; (ii) if the ratings established or deemed to have been established by Moody's and S&P for the Index Debt shall fall within different Levels, the Applicable Rate shall be based on the higher of the two ratings unless one of the two ratings is two or more Levels lower than the other, in which case the Applicable Rate shall be determined by reference to the Level next below that of the higher of the two ratings; and (iii) if the ratings established or deemed to have been established by Moody's and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody's or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished by the Parent Borrower to the Administrative Agent and the Lenders pursuant to Section 5.01 or otherwise. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if both such rating agencies shall cease to be in the business of rating corporate debt obligations, the Parent Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agencies, and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation. If either (but not both) of Moody's and S&P shall cease to have in effect a rating (whether as a result of such agency ceasing to be in the business of rating corporate debt obligations or otherwise), the Applicable Rate shall be determined by reference to the rating of the other rating agency.

“Approved Fund” has the meaning assigned to such term in Section 10.04.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section

10.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

**“Availability Period”** means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

**“Available Commitment”** means, as to any Lender at any date of determination, an amount in dollars equal to the excess, if any, of (a) the amount of such Lender’s Commitment in effect on such date over (b) the Revolving Credit Exposure of such Lender on such date.

**“Available Tenor”** means, as of any date of determination and with respect to the then-current Benchmark for any Agreed Currency, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (e) of Section 2.12.

**“Bail-In Action”** means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

**“Bail-In Legislation”** means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

**“Bankruptcy Event”** means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, *provided, further*, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

**“Benchmark”** means, initially, with respect to any (i) RFR Loan in any Agreed Currency, the applicable Relevant Rate for such Agreed Currency or (ii) Term Benchmark Loan,

the Relevant Rate for such Agreed Currency; *provided* that if a Benchmark Transition Event, and the related Benchmark Replacement Date have occurred with respect to the applicable Relevant Rate or the then-current Benchmark for such Agreed Currency, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) of Section 2.12.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date; provided that, in the case of any Loan denominated in an Alternative Currency, “Benchmark Replacement” shall mean the alternative set forth in (2) below:

(1) in the case of any Loan denominated in Dollars, the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Agreed Currency at such time in the United States and (b) the related Benchmark Replacement Adjustment;

If the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Currency at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement and/or any Term Benchmark Revolving Loan denominated in Dollars, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “RFR Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of

borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Replacement Date” means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation

thereof), the Federal Reserve Board, the NYFRB, the CME Term SOFR Administrator, the central bank for the Agreed Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.12 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.12.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code, or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Blocking Regulation” has the meaning assigned to such term in Section 3.13.

“Borrower” means, as applicable, the Parent Borrower or the applicable Subsidiary Borrower.

**“Borrower Qualified Keepwell Provider”** means any Qualified Keepwell Provider that is a Borrower.

**“Borrowing”** means Loans of the same Type made, converted or continued on the same date and, in the case of Term Benchmark Loans, as to which a single Interest Period is in effect.

**“Borrowing Request”** means a request by the Parent Borrower for a Borrowing in accordance with Section 2.03.

**“Business Day”** means, any day that is not a Saturday or a Sunday or other day on which banks in New York City or Chicago are authorized or required by law to remain closed; provided that “Business Day” shall also exclude, (a) in relation to Loans denominated in Sterling, any day on which banks are not open for business in London, (b) in relation to Loans denominated in Yen and in relation to the calculation or computation of TIBOR, any day on which banks are not open for business in Japan, (c) in relation to Loans denominated in Euros and in relation to the calculation or computation of EURIBOR, any day which is not a TARGET Day and (d) in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings in the applicable Agreed Currency of such RFR Loan, any such day that is not only an RFR Business Day.

**“Cash Pooling Arrangements”** means physical and notional cash pooling arrangements entered into in the ordinary course of business among the Parent Borrower and/or its Subsidiaries to provide cash management services, including treasury, depository, electronic funds transfer and other cash management arrangements.

**“Central Bank Rate”** means, (A) the greater of (i) for any Loan denominated in (a) Euro, one of the following three rates as may be selected by the Administrative Agent in its reasonable discretion: (1) the fixed rate for the main refinancing operations of the European Central Bank (or any successor thereto), or, if that rate is not published, the minimum bid rate for the main refinancing operations of the European Central Bank (or any successor thereto), each as published by the European Central Bank (or any successor thereto) from time to time, (2) the rate for the marginal lending facility of the European Central Bank (or any successor thereto), as published by the European Central Bank (or any successor thereto) from time to time or (3) the rate for the deposit facility of the central banking system of the Participating Member States, as published by the European Central Bank (or any successor thereto) from time to time, (b) Yen, the “short-term prime rate” as publicly announced by the Bank of Japan (or any successor thereto) from time to time, (c) any other Alternative Currency determined after the Effective Date, a central bank rate as determined by the Administrative Agent in its reasonable discretion and (ii) the Floor; plus (B) the applicable Central Bank Rate Adjustment.

**“Central Bank Rate Adjustment”** means, for any day, for any Loan denominated in (a) Euro, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Adjusted EURIBOR Rate for the five most recent Business Days preceding such day for which the EURIBOR Screen Rate was available (excluding, from such averaging, the highest and the lowest Adjusted EURIBOR Rate applicable during such period of five Business Days) minus (ii) the Central Bank Rate in respect of Euro in effect on the last Business Day in such period, (b) Yen, a rate equal to the difference (which may be a positive or negative

value or zero) of (i) the average of the Adjusted TIBOR Rate for the five most recent Business Days preceding such day for which the TIBOR Screen Rate was available (excluding, from such averaging, the highest and the lowest Adjusted TIBOR Rate applicable during such period of five Business Days) minus (ii) the Central Bank Rate in respect of Yen in effect on the last Business Day in such period and (c) any other Alternative Currency determined after the Effective Date, a Central Bank Rate Adjustment as determined by the Administrative Agent in its reasonable discretion. For purposes of this definition, (x) the term Central Bank Rate shall be determined disregarding clause (B) of the definition of such term and (y) each of the EURIBOR Rate and the TIBOR Rate on any day shall be based on the EURIBOR Screen Rate or the TIBOR Screen Rate, as applicable, on such day at approximately the time referred to in the definition of such term for deposits in the applicable Agreed Currency for a maturity of one month.

“Change in Control” means the occurrence of any of the following:

(i) the sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Parent Borrower to any “person” or “group” (as such terms are used in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934 (“Act”)) other than Permitted Holders (as defined below);

(ii) any person or group is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Act, except that a person shall be deemed to have “beneficial ownership” of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50 percent of the total voting power of the issued and outstanding Voting Stock of the Parent Borrower, including by way of merger, consolidation or otherwise; provided, however, that for purposes of this Agreement, the following acquisitions shall not constitute a Change in Control: (I) any acquisition by the Parent Borrower or (II) any acquisition by one or more of the Permitted Holders; or

(iii) during any period of 12 consecutive months, Present Directors and/or New Directors (as such terms are defined below) cease for any reason to constitute a majority of the Parent Borrower’s board of directors; or

(iv) the Parent Borrower ceases to beneficially own, directly or indirectly, and control, directly or indirectly, 100% of the issued and outstanding Equity Interests of any Subsidiary Borrower (including, without limitation, by means of any third party claiming a better right in the Equity Interests of a Swiss Borrower before a court in Switzerland).

The following terms have the meanings indicated: “Permitted Holders” shall mean, as of the date of determination: (A) any and all of Ralph Lauren (an individual), his spouse, his siblings and their spouses, and descendants of them (whether natural or adopted) (collectively, the “Lauren Group”); and (B) any trust established and maintained primarily for the benefit of any member of the Lauren Group and any entity controlled by any member of the Lauren Group. “Present Directors” shall mean individuals who on the Effective Date are members of the Parent Borrower’s board of directors. “New Directors” shall mean any directors of the board of directors of the Parent Borrower whose election as of or following the Effective Date by the Parent Borrower’s board of directors or whose nomination for election by the shareholders of the Parent Borrower was approved by a vote of a majority of the directors of the

board of directors of the Parent Borrower who, at the time of such vote, were either Present Directors or New Directors but excluding any such individual whose initial assumption of office occurs solely as a result of an actual or threatened proxy contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Parent Borrower's board of directors.

**"Change in Law"** means (a) the adoption of any law, rule, treaty or regulation after the date of this Agreement, (b) any change after the date of this Agreement in any law, rule, treaty or regulation or in the interpretation or application thereof by any Governmental Authority or (c) compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.13(b), by any office of such Lender from or at which Loans and/or Letters of Credit are made or issued, or are booked, as the case may be, in accordance with the terms of this Agreement) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided, however, for purposes of this Agreement, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or in connection therewith or in implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case in clauses (x) and (y) be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

**"CME Term SOFR Administrator"** means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

**"Co-Documentation Agents"** means Wells Fargo Bank, N.A., HSBC Bank USA N.A., ING Bank N.V., Dublin Branch, and Deutsche Bank Securities Inc., each in its capacity as co-documentation agents and its successors in such capacity.

**"Code"** means the Internal Revenue Code of 1986, as amended from time to time.

**"Commercial Letter of Credit"** means a commercial documentary letter of credit issued by an Issuing Bank for the account of the Parent Borrower or jointly and severally for the account of the Parent Borrower and any of its Subsidiaries for the purchase of goods in the ordinary course of business.

**"Commercial Letter of Credit Fee"** has the meaning assigned to such term in Section 2.04(f)(i).

**"Commitment"** means, with respect to each Lender, the commitment of such Lender to make Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Revolving Credit Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.07, (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04 or (c) increased from time to time pursuant to Section 2.01(b), *provided* that, at the Parent Borrower's election, up to \$500,000,000 of the Lenders' commitments hereunder may be denominated in an Alternative Currency. The initial amount of

each Lender's Commitment is set forth on Schedule 2.01, in the New Lender Supplement pursuant to which such Lender shall become a party hereto or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders' Commitments is \$500,000,000.

"Commitment Increase Supplement" means a supplement to this Agreement substantially in the form of Exhibit D-2.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Communications" has the meaning assigned to such term in Section 10.01(d).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated EBITDAR" means, for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) any extraordinary or non-recurring non-cash expenses or losses (including any noncash impairment of assets, and, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, non-cash losses on sales of assets outside of the ordinary course of business and including non-cash charges arising from the application of Statement of Financial Accounting Standards No. 142 (or the corresponding Accounting Standards Codification Topic, as applicable)), (f) Consolidated Lease Expense, (g) charges incurred during such period in connection with restructuring or reorganization changes, including without limitation post-closing restructuring, reorganization and/or integration charges or costs, and (h) non-recurring fees and expenses relating to Permitted Acquisitions or other acquisitions of property or a series of related acquisitions of property, *provided* that for purposes of clause (g) and this clause (h) the aggregate amount of such charges, fees and expenses shall not exceed in any rolling four quarter period an amount equal to 20% of Consolidated EBITDAR for such period and minus, (x) to the extent included in the statement of such Consolidated Net Income for such period, the sum of (i) interest income, (ii) any extraordinary or non-recurring non-cash income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business) and (iii) income tax credits (to the extent not netted from income tax expense) and (y) any cash payments made during such period in respect of items described in clause (e) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were reflected as a charge in the statement of Consolidated Net Income, all as determined on a consolidated basis in accordance with GAAP; *provided*, that for the purposes of determining the Consolidated Leverage Ratio of the Parent Borrower as set forth in Section 6.07 (A) for the four fiscal quarter period ending September 28, 2019, Consolidated EBITDAR shall be deemed to equal Consolidated EBITDAR for the two fiscal quarters ending September 28, 2019 *multiplied* by 2 and (B) for the four fiscal quarter period ending December 28, 2019, Consolidated EBITDAR shall be deemed to equal

Consolidated EBITDAR for the three fiscal quarters ending December 28, 2019 multiplied by 4/3.

For the purposes of calculating Consolidated EBITDAR for any period of four consecutive fiscal quarters (each, a “Reference Period”) pursuant to any determination of the Consolidated Leverage Ratio, (i) if at any time during such Reference Period the Parent Borrower or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDAR for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDAR (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period or increased by an amount equal to the Consolidated EBITDAR (if negative) attributable thereto for such Reference Period, and (ii) if during such Reference Period the Parent Borrower or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDAR for such Reference Period shall be calculated after giving pro forma effect thereto (taking into account (A) such cost savings as may be determined by the Parent Borrower in a manner consistent with the evaluation performed by the Parent Borrower in deciding to make such Material Acquisition, as presented to the Parent Borrower’s board of directors, *provided* that the Parent Borrower may take into account such cost savings only if it in good faith determines on the date of calculation that it is reasonable to expect that such cost savings will be implemented within 120 days following the date of such Material Acquisition (or in the case of any calculation made subsequent to such 120th day, that such cost savings have, in fact, been implemented) and (B) all transactions that are directly related to such Material Acquisition and are entered into in connection and substantially contemporaneously therewith) as if such Material Acquisition occurred on the first day of such Reference Period. As used in this definition, “Material Acquisition” means any acquisition of property or other assets or series of related acquisitions of property that (a) constitutes (i) assets comprising all or substantially all of a business or operating unit of a business, (ii) all or substantially all of the common stock or other Equity Interests of a Person, (iii) in any case where clauses (i) and (ii) above are inapplicable, the rights of any licensee (including by means of the termination of such licensee’s rights under such license) under a trademark license to such licensee from the Parent Borrower or any of its Affiliates (the “Acquired Rights”) or (iv) the acquisitions and licenses of intellectual property by the Parent Borrower and its Subsidiaries, and (b) involves the payment of consideration by the Parent Borrower and its Subsidiaries in excess of \$25,000,000; “Material Disposition” means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Parent Borrower or any of its Subsidiaries in excess of \$25,000,000. In making any calculation pursuant to this paragraph with respect to a Material Acquisition of a Person, business or rights for which quarterly financial statements are not available, the Parent Borrower shall base such calculation on the financial statements of such Person, business or rights for the then most recently completed period of 12 consecutive calendar months for which such financial statements are available and shall deem the contribution of such Person, business or rights to Consolidated EBITDAR for the period from the beginning of the applicable Reference Period to the date of such Material Acquisition to be equal to the product of (x) the number of days in such period divided by 365 multiplied by (y) the amount of Consolidated EBITDAR of such Person, business or rights for the 12-month period referred to above (calculated on the basis set forth in this definition). In making any calculation pursuant to this paragraph in connection with an acquisition of Acquired Rights to be followed by the granting of a new license of such Acquired Rights (or any rights derivative therefrom), effect may be given to such grant of such new license (as if it had occurred on the date of such acquisition) if, and only if, the Parent Borrower in good faith determines on the date of such calculation that it is reasonable to expect that such grant will be completed within 120 days following the date of

such acquisition (or in the case of any calculation made subsequent to such 120th day, that such grant has, in fact, been completed).

**“Consolidated Lease Expense”** means, for any period, the aggregate “operating lease cost” (as such amount is determined in accordance with GAAP) included in the income statement reported in the Parent Borrower’s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission for the quarter ended June 29, 2019 (and for fiscal periods reported thereafter), associated with Operating Lease Obligations of the Parent Borrower and its Subsidiaries for each Operating Lease outstanding during such period. Such amount does not incorporate or include any amounts payable under the Finance Leases of the Parent Borrower and its Subsidiaries.

**“Consolidated Leverage Ratio”** means on the last day of any Fiscal Quarter, the ratio of (a) Adjusted Debt on such day to (b) Consolidated EBITDAR for the period of four consecutive Fiscal Quarters ending on such day.

**“Consolidated Net Income”** means for any period, the consolidated net income (or loss) of the Parent Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Parent Borrower or is merged into or consolidated with the Parent Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Parent Borrower) in which the Parent Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Parent Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of the Parent Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary.

**“Consolidated Net Worth”** means as of any date of determination thereof, the excess of (a) the aggregate consolidated net book value of the assets of the Parent Borrower and its Subsidiaries after all appropriate adjustments in accordance with GAAP (including, without limitation, reserves for doubtful receivables, obsolescence, depreciation and amortization) over (b) all of the aggregate liabilities of the Parent Borrower and its Subsidiaries, including all items which, in accordance with GAAP, would be included on the liability side of the balance sheet (other than Equity Interests, treasury stock, capital surplus and retained earnings), in each case determined on a consolidated basis (after eliminating all inter-company items) in accordance with GAAP; provided, however, that in calculating Consolidated Net Worth the effects of the Statement of Financial Accounting Standards No. 142 (or the corresponding Accounting Standards Codification Topic, as applicable) shall be disregarded.

**“Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have meanings correlative thereto.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Covered Party” has the meaning set forth in Section 10.17.

“Credit Party” means the Administrative Agent, the Issuing Bank or any other Lender.

“Daily Simple RFR” means, for any day (an “RFR Interest Day”), an interest rate per annum equal to, for any RFR Loan, Daily Simple SOFR.

“Daily Simple SOFR” means, for any day (a “SOFR Rate Day”), a rate per annum equal to SOFR for the day (such day “SOFR Determination Date”) that is five (5) RFR Business Days prior to (i) if such SOFR Rate Day is an RFR Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund all or any portion of its Loans, (ii) fund all or any portion of its participation in a Letter of Credit or (iii) pay over to any other Credit Party any other amount required to be paid by it hereunder that is not subject to a good faith dispute, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Parent Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with all or any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent

(specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, *provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of (A) a Bankruptcy Event or (B) a Bail-In Action.

**“Disposition”** means with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms “Dispose” and “Disposed of” shall have correlative meanings.

**“Dollar Equivalent”** means, on any date of determination, with respect to any amount hereunder denominated in an Alternative Currency, the amount of dollars determined pursuant to Section 1.05 using the Exchange Rate with respect to such Alternative Currency at the time in effect under the provisions of such Section.

**“dollars”** or **“\$”** refers to lawful money of the United States of America.

**“Domestic Subsidiary”** means any Subsidiary organized under the laws of any jurisdiction within the United States of America.

**“EEA Financial Institution”** means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

**“EEA Member Country”** means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

**“EEA Resolution Authority”** means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

**“Effective Date”** means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 10.02).

**“Electronic Signature”** means an electronic symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

**“Electronic System”** means any electronic system, including e-mail, e-fax, Intralinks®, ClearPar®, Debt Domain, Syndtrak and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent and

the Issuing Bank and any of its respective Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

**“Eligible Assignee”** means any Person that meets the requirements to be an assignee under Section 10.04(b)(ii) (subject to such consents, if any, as may be required under Section 10.04(b)).

**“Eligible Contract Participant”** means any entity that constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder.

**“Environmental Laws”** means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, or to human health and safety (insofar as such health and safety may be adversely affected by exposure to dangerous or harmful substances or environmental conditions), as have been, are, or in the future become, in effect.

**“Environmental Liability”** means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Parent Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

**“Equity Interests”** means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

**“ERISA Affiliate”** means any trade or business (whether or not incorporated) that, together with any Loan Party, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

**“ERISA Event”** means (a) any “reportable event”, as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which notice is waived); (b) with respect to any Plan the failure to satisfy the “minimum funding standard” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by any Loan Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by any Loan Party or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to

terminate any Plan or Plans or to appoint a trustee to administer any Plan under Section 4042 of ERISA; (f) the incurrence by any Loan Party or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal of any Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by any Loan Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Loan Party or any ERISA Affiliate of any notice, concerning the imposition upon any Loan Party or any of its ERISA Affiliates of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“Euro” means the single currency of participating member states of the European Monetary Union.

“EURIBOR Rate” means, with respect to any Term Benchmark Borrowing denominated in Euros and for any Interest Period, the EURIBOR Screen Rate at approximately 11:00 a.m., Brussels time, two TARGET Days prior to the commencement of such Interest Period; provided that, if the EURIBOR Screen Rate shall not be available at such time for such Interest Period (an “Impacted EURIBOR Rate Interest Period”) with respect to Euros then the EURIBOR Rate shall be the Interpolated Rate.

“EURIBOR Screen Rate” means the Euro interbank offered rate administered by the European Money Markets Institute (or any other Person which takes over the administration of that rate) for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters as of 11:00 a.m. Brussels time two TARGET Days prior to the commencement of such Interest Period.

“Event of Default” has the meaning assigned to such term in Article VII.

“Exchange Rate” means, on any day, with respect to any Alternative Currency, the rate determined by the Administrative Agent at which such Alternative Currency may be exchanged into dollars, as set forth at approximately 11:00 a.m., London time, on such day (or, in the case of any calculation involving the amount of any LC Disbursement under any Alternative Currency Letter of Credit, at the time payment thereof is made) on the applicable Reuters World Spot Page. In the event that any such rate does not appear on any Reuters World Spot Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Parent Borrower for such purpose or, in the absence of such an agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such Alternative Currency are then being conducted, at 11:00 a.m., local time, on such day (or, in the case of any calculation involving the amount of any LC Disbursement under any Alternative Currency Letter of Credit, at the time payment thereof is made) for the purchase of the applicable Alternative Currency for delivery two Business Days later, *provided* that, if at the time of any

such determination, for any reason, no such spot rate is being quoted, after consultation with the Parent Borrower, the Administrative Agent may use any other reasonable method it deems appropriate to determine such rate, and such determination shall be presumed correct absent manifest error.

**“Exchange Rate Date”** means, if on such date any outstanding Loan or Letter of Credit is (or any Loan or Letter of Credit that has been requested at such time would be) denominated in an Alternative Currency, each of: (a) at least once during each calendar month, (b) if an Event of Default has occurred and is continuing, any Business Day designated as an Exchange Rate Date by the Administrative Agent in its sole discretion, and (c) each date (with such date to be reasonably determined by the Administrative Agent) that is on or about the date of (i) a Borrowing Request or an Interest Election Request or (ii) each request for the issuance, amendment, renewal or extension of any Letter of Credit.

**“Excluded Swap Obligation”** means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, and only for so long as, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, as applicable, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the applicable or official interpretation of any thereof) by virtue of such Guarantor’s failure to constitute an Eligible Contract Participant at the time the guarantee of (or grant of such security interest by, as applicable) such Guarantor becomes or would become effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one Swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guarantee or security interest is or becomes illegal.

**“Excluded Taxes”** means, with respect to the Administrative Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of any Loan Party under any Loan Document, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by any other Governmental Authority as a result of a present or former connection between the Administrative Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by any Loan Party under any Loan Document and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by any Loan Party under any Loan Document having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document), (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) above, (c) in the case of a Non-U.S. Lender, including any Issuing Bank that is a Non-U.S. Lender (other than an assignee pursuant to a request by the Borrower under Section 2.17(b)), any United States withholding tax that is imposed on amounts payable to such Non-U.S. Lender at the time such Non-U.S. Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Non-U.S. Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Parent Borrower with respect to such withholding tax pursuant to Section 2.15(a), (d) any withholding tax that is imposed on amounts payable to a Lender that is attributable to such Lender’s failure to comply with Section 2.15(e) or (f), (e) any taxes assessed

on a recipient under the laws of the Netherlands, if and to the extent such taxes become payable as a result of such recipient having a substantial interest (*aanmerkelijk belang*) as defined in the Dutch Income Tax Act (*Wet inkomenbelasting 2001*) in a Loan Party that is resident in the Netherlands for tax purposes and (f) any United States withholding tax that is imposed by reason of FATCA.

“Existing Credit Agreement” means the Amended and Restated Credit Agreement, dated as of February 11, 2015, among the Parent Borrower, the additional borrowers party thereto, the several banks and other financial institutions parties thereto and JPMorgan Chase Bank, N.A., as administrative agent, as heretofore amended, supplemented or otherwise modified.

“Existing Maturity Date” has the meaning assigned to such term in Section 2.20(a).

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the NYFRB based on such day’s federal funds transactions by depository institutions, as determined in such manner as the NYFRB shall set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Finance Lease” means any lease of property classified as a “finance lease” on both the balance sheet and income statement for financial reporting purposes under GAAP.

“Finance Lease Obligations” means, as applied to any Person, an obligation that is required to be accounted for as a Finance Lease (and not an Operating Lease) on both the balance sheet and income statement for financial reporting purposes in accordance with GAAP. At the time any determination thereof is to be made, the amount of the liability in respect of a Finance Lease would be the amount required to be reflected as a liability on such balance sheet in accordance with GAAP.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Parent Borrower.

“First Amendment” means the First Amendment to this Agreement, dated as of the First Amendment Effective Date.

“First Amendment Effective Date” means May 26, 2020.

**“Fiscal Quarter”** means with respect to the Parent Borrower and its Subsidiaries, and with respect to any Fiscal Year, (a) each of the quarterly periods ending 13 calendar weeks, 26 calendar weeks, 39 calendar weeks and 52 or 53 calendar weeks, as the case may be, after the end of the prior Fiscal Year or (b) such other quarterly periods as the Parent Borrower shall adopt after giving prior written notice thereof to the Lenders.

**“Fiscal Year”** means with respect to the Parent Borrower and its Subsidiaries, (a) the 52- or 53-week annual period, as the case may be, ending on the Saturday nearest to March 31 of each calendar year or (b) such other fiscal year as the Parent Borrower shall adopt with the prior written consent of the Required Lenders (which consent shall not be unreasonably withheld). Any designation of a particular Fiscal Year by reference to a calendar year shall mean the Fiscal Year ending during such calendar year.

**“Floor”** means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to any Term Benchmark Rate, Adjusted Daily Simple RFR, or Central Bank Rate as applicable. For the avoidance of doubt the initial Floor for each of the foregoing shall be 0.75%.

**“Foreign Plan”** means any employee benefit plan (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to United States law and is maintained or contributed to by any Loan Party or any ERISA Affiliate.

**“Foreign Plan Event”** means, with respect to any Foreign Plan, (a) the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Plan, (b) the failure to register or loss of good standing with applicable regulatory authorities of any such Foreign Plan required to be registered, or (c) the failure of any Foreign Plan to comply with any material provisions of applicable law and regulations or with the material terms of such Foreign Plan.

**“Foreign Subsidiary”** means any Subsidiary which is not a Domestic Subsidiary.

**“GAAP”** means generally accepted accounting principles in the United States of America.

**“Governmental Authority”** means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, state-owned or state-controlled entity, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including supranational bodies (such as the European Union or European Central Bank).

**“Guarantee”** of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of)

such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. For purposes of all calculations provided for in this Agreement, the amount of any Guarantee of any guarantor shall be deemed to be the lower of (x) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (y) the maximum amount for which such guarantor may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation and the maximum amount for which such guarantor may be liable are not stated or determinable, in which case the amount of such Guarantee shall be such guarantor's maximum reasonably anticipated liability in respect thereof as determined by the Parent Borrower in good faith.

“Guarantee Agreement” means the Guarantee Agreement to be executed and delivered by each Guarantor, substantially in the form of Exhibit C.

“Guarantor” means (a) with respect to both the Parent Borrower Obligations and the Subsidiary Obligations, each Domestic Subsidiary that becomes a party to the Guarantee Agreement on the Effective Date and each Domestic Subsidiary that, subsequent to the Effective Date, becomes a Significant Subsidiary (as defined in Regulation S-X, part 210.1-02 of Title 17 of the Code of Federal Regulations) and (b) with respect to the Subsidiary Obligations only, the Parent Borrower.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any applicable Environmental Law.

“HKD Rate” means, with respect to any Term Benchmark Borrowing denominated in Hong Kong Dollars and for any Interest Period, the HKD Screen Rate at approximately 11:00 a.m., Hong Kong time, two business days prior to the commencement of such Interest Period; provided that, if the HKD Screen Rate shall not be available at such time for such Interest Period (an “Impacted HKD Rate Interest Period”) with respect to Hong Kong Dollars then the HKD Rate shall be the Interpolated Rate.

“HKD Screen Rate” means, with respect to any Interest Period, the percentage rate per annum for deposits in Hong Kong Dollars for a period beginning on the first day of such Interest Period and ending on the last day of such Interest Period, displayed under the heading “HKAB HKD Interest Settlement Rates” on the Reuters Screen HKABHIBOR Page (or, in the event such rate does not appear on such Reuters page, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as selected by the Administrative Agent from time to time in its

reasonable discretion) as of 11:00 a.m. Hong Kong time two business days prior to the commencement of such Interest Period.

“Hong Kong Dollars” means the lawful currency of Hong Kong.

“Impacted Interest Period” means, as applicable, an Impacted EURIBOR Rate Interest Period, Impacted HKD Rate Interest Period, Impacted Term SOFR Rate Interest Period or Impacted TIBOR Rate Interest Period.

“Impacted EURIBOR Rate Interest Period” has the meaning assigned to such term in the definition of “EURIBOR Rate.”

“Impacted HKD Rate Interest Period” has the meaning assigned to such term in the definition of “HKD Rate.”

“Impacted Term SOFR Rate Interest Period” has the meaning assigned to such term in the definition of “Term SOFR Rate.”

“Impacted TIBOR Rate Interest Period” has the meaning assigned to such term in the definition of “TIBOR Rate.”

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business and any earnout obligations or similar deferred or contingent purchase price obligations not overdue or which do not appear as a liability on a balance sheet of such Person incurred in connection with any acquisition of property or series of related acquisitions of property that constitutes (i) assets comprising all or substantially all of a business or operating unit of a business, (ii) all or substantially all of the common stock or other Equity Interests of a Person or (iii) in any case where clauses (i) and (ii) above are inapplicable, the Acquired Rights), (e) all Indebtedness of others secured by any Lien on property owned or acquired by such Person (to the extent of such Person’s interest in such property), whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Finance Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances and (j) all payment and performance obligations of every kind, nature and description of such Person under or in connection with Swap Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. For purposes of all calculations provided for in this Agreement, there shall be disregarded any Guarantee of any Person in respect of any Indebtedness of any other Person with which the accounts of such first Person are then required

to be consolidated in accordance with GAAP. For the avoidance of doubt, any amounts available and not drawn under the Commitment shall be deemed not to be Indebtedness.

**“Indemnified Taxes”** means Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document.

**“Indemnitee”** has the meaning assigned to it in Section 10.03(b).

**“Index Debt”** means senior, unsecured, long-term indebtedness for borrowed money of the Parent Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

**“Insolvent”** means, with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA.

**“Interest Election Request”** means a request by the Parent Borrower to convert or continue a Borrowing in accordance with Section 2.06.

**“Interest Payment Date”** means (a) with respect to any ABR Loan, the last day of each March, June, September and December and the Maturity Date, (b) with respect to any RFR Loan, (1) each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and (2) the Maturity Date, (c) with respect to any Term Benchmark Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term Benchmark Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period, and the Maturity Date.

**“Interest Period”** means with respect to any Term Benchmark Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment for any Agreed Currency), as the Borrower may elect; *provided*, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to Section 2.12(e) shall be available for specification in such Borrowing Request or Interest Election Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Revolving Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

**“Interpolated Rate”** means, at any time, for any Interest Period with respect to any Term Benchmark Borrowing, the rate per annum (rounded to the same number of decimal places as the Relevant Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the Relevant Rate for the longest period for which the Relevant Rate is available (for the applicable currency) that is shorter than the Impacted Interest Period; and (b) the Relevant Rate for the shortest period for which the Relevant Rate is available (for the applicable currency) that exceeds the Impacted Interest Period, in each case, at such time.

**“Investment”** means, as applied to any Person, any direct or indirect purchase or other acquisition by such Person of Equity Interests or other securities of, or any assets constituting a business unit of, any other Person, or any direct or indirect loan, advance or capital contribution by such Person to any other Person. In computing the amount involved in any Investment at the time outstanding, (a) undistributed earnings of, and unpaid interest accrued in respect of Indebtedness owing by, such other Person shall not be included, (b) there shall not be deducted from the amounts invested in such other Person any amounts received as earnings (in the form of dividends, interest or otherwise) on such Investment or as loans from such other Person and (c) unrealized increases or decreases in value, or write-ups, write-downs or write-offs, of Investments in such other Person shall be disregarded.

**“IRS”** means the United States Internal Revenue Service.

**“Issuing Bank”** means, as the context may require, (a) JPMorgan Chase Bank, N.A. or Bank of America, N.A., with respect to Letters or Credit issued by each of them or (b) any other Lender that becomes an Issuing Bank pursuant to Section 2.04(l), with respect to Letters of Credit issued by it, and in each case its successors in such capacity as provided in Section 2.04(j); provided that, unless JPMorgan Chase Bank, N.A. or Bank of America, N.A. (as applicable) otherwise agrees in writing in its sole discretion, Letters of Credit issued by JPMorgan Chase Bank, N.A. and Bank of America, N.A. shall be limited to the amount set forth on Schedule 2.01. In the event that there is more than one Issuing Bank at any time, references herein and in the other Loan Documents to the Issuing Bank shall be deemed to refer to the Issuing Bank in respect of the applicable Letter of Credit or to all Issuing Banks, as the context requires. Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate; provided, however, that no arrangement of a type described in this sentence shall be permitted if, immediately after giving effect thereto, amounts would become payable by the Parent Borrower under Section 2.13 or 2.15 that are in excess of those that would be payable under such Section if such arrangement were not implemented and, provided, further, that the fees payable to any such Affiliate shall be subject to the second sentence of Section 2.10(b).

**“JPMorgan”** means JPMorgan Chase Bank, N.A.

**“Judgment Currency”** has the meaning assigned to such term in Section 10.13(b).

**“LC Disbursement”** means a payment made by the applicable Issuing Bank pursuant to a Letter of Credit.

**“LC Exposure”** means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit (other than Alternative Currency Letters of Credit) at such time, (b) the aggregate amount of all LC Disbursements under Letters of Credit (other than Alternative Currency Letters of Credit) that have not yet been reimbursed by or on behalf of the Parent Borrower at such time and (c) the Alternative Currency LC Exposure at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

**“Lead Arrangers”** means, individually or collectively, JPMorgan Chase Bank, N.A. and BofA Securities, Inc., in their capacity as lead arrangers, and each of their successors in such capacity.

**“Lenders”** means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption or a New Lender Supplement, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Lenders” includes the Issuing Banks.

**“Letter of Credit”** means any Commercial Letter of Credit or Standby Letter of Credit.

**“Lien”** means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement or title retention agreement (or any Finance Lease Obligations having substantially the same economic effect as any of the foregoing, but in any event not in respect of any Operating Lease Obligations) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

**“Liquidity”** means the sum of the aggregate amount of Unrestricted Cash of the Parent Borrower and its Subsidiaries plus the Available Commitment (but excluding, for the avoidance of doubt, any available commitments and proceeds of borrowings under the 364-Day Credit Agreement).

**“Loan Documents”** means this Agreement, the Guarantee Agreement and the First Amendment.

**“Loan Party”** means the Borrowers and the Guarantors.

**“Loans”** means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

**“Margin Stock”** means margin stock within the meaning of Regulations T, U and X, as applicable.

**“Material Adverse Effect”** means a material adverse effect on (a) the business, operations, property or condition (financial or otherwise) of the Parent Borrower and the

Subsidiaries taken as a whole or (b) the rights and remedies, taken as a whole, of the Administrative Agent and the Lenders under the Loan Documents.

“Material Indebtedness” means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of the Parent Borrower and its Subsidiaries in an aggregate principal amount exceeding \$50,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Parent Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Parent Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Maturity Date” means, subject to extension in accordance with Section 2.20, August 12, 2024.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA, contributed to or required to be contributed to by any Loan Party or its ERISA Affiliates.

“New Lender” has the meaning assigned to such term in Section 2.01(c).

“New Lender Supplement” has the meaning assigned to such term in Section 2.01(c).

“Non-Extending Lender” has the meaning assigned to such term in Section 2.20(b).

“Non-U.S. Lender” means any Lender that is not a U.S. Person.

“Notice Date” has the meaning assigned to such term in Section 2.20(b).

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it in its reasonable discretion; provided, further, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Operating Lease” means any lease of property classified as an “operating lease” on both the balance sheet and income statement for financial reporting purposes under GAAP.

**“Operating Lease Obligations”** means, as applied to any Person, an obligation that is required to be accounted for as an Operating Lease (and not a Finance Lease). At the time any determination thereof is to be made, the amount of the liability in respect of an Operating Lease would be the amount required to be reflected as a liability on such balance sheet in accordance with GAAP.

**“Other Connection Taxes”** means with respect to any Lender, Taxes imposed as a result of a present or former connection between such Lender and the jurisdiction imposing such Tax (other than connections arising from such Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

**“Other Taxes”** means any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.17).

**“Overnight Bank Funding Rate”** means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar transactions denominated in Dollars by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on the NYFRB’s Website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

**“Parent”** means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

**“Parent Borrower”** means Ralph Lauren Corporation, a Delaware corporation.

**“Parent Borrower Obligations”** means the unpaid principal of and interest on the Loans made to and reimbursement obligations of the Parent Borrower (including, without limitation, interest accruing after the maturity of the Loans made to and reimbursement obligations of the Parent Borrower and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Parent Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of the Parent Borrower to the Administrative Agent or to any Lender (or, in the case of Specified Swap Agreements and Specified Cash Management Agreements, any affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, any Specified Swap Agreement, any Specified Cash Management Agreement, any guarantee thereof or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Parent Borrower pursuant hereto) or otherwise.

“Participant” has the meaning set forth in Section 10.04(c)(i).

“Participant Register” has the meaning set forth in Section 10.04(c)(i).

“Patriot Act” has the meaning assigned to such term in Section 10.16.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Acquisition” means any acquisition (in one transaction or a series of related transactions) by the Parent Borrower or any Subsidiary, on or after the Effective Date (whether effected through a purchase of Equity Interests or assets or through a merger, consolidation or amalgamation), of (i) another Person including the equity interest of any Person in which the Borrower or any Subsidiary owns an equity interest, (ii) the assets constituting all or substantially all of a business or operating business unit of another Person, (iii) in any case where clauses (i) and (ii) above are inapplicable, the rights of any licensee (including by means of the termination of such license’s rights under such license) under a trademark license to such licensee from the Parent Borrower or any of its Affiliates or (iv) intellectual property or licenses of intellectual property, *provided* that:

(a) the assets so acquired or, as the case may be, the assets of the Person so acquired shall be in a Related Line of Business;

(b) no Default shall have occurred and be continuing at the time thereof or would result therefrom;

(c) such acquisition shall be effected in such manner so that the acquired Equity Interests, assets or rights are owned either by the Parent Borrower or a Subsidiary and, if effected by merger, consolidation or amalgamation, the continuing, surviving or resulting entity shall be the Parent Borrower or a Subsidiary, *provided* that, nothing in this clause shall be deemed to limit the ability of the Parent Borrower or any Subsidiary to grant to a different licensee any acquired license rights described in clause (iii) above (or any rights derivative therefrom); and

(d) the Parent Borrower and its Subsidiaries shall be in compliance, on a pro forma basis after giving effect to such acquisition, with the covenant contained in Section 6.07 recomputed as at the last day of the most recently ended fiscal quarter of the Parent Borrower for which financial statements are available, as if such acquisition had occurred on the first day of each relevant period for testing such compliance.

“Permitted Encumbrances” means:

(a) Liens imposed by law for taxes and duties, assessments, governmental charges or levies that are not yet due or are being contested in compliance with Section 5.04;

(b) landlords, carriers’, warehousemen’s, mechanics’, shippers’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course

of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security laws or regulations, and pledges and deposits securing liability to insurance carriers under insurance or self-insurance arrangements;

(d) pledges and deposits to secure the performance of tenders, bids, trade contracts, leases, public or statutory obligations, warranty requirements, surety and appeal bonds, bonds posted in connection with actions, suits or proceedings, performance and bid bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) Liens incurred in the ordinary course of business in connection with the sale, lease, transfer or other disposition of any credit card receivables of the Parent Borrower or any of its Subsidiaries;

(f) judgment, attachment or other similar liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;

(g) easements, zoning restrictions, restrictive covenants, encroachments, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Parent Borrower or any Subsidiary; and

(h) possessory Liens in favor of brokers and dealers arising in connection with the acquisition or disposition of Permitted Investments;

provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"Permitted Investments" means:

(a) direct obligations of, or obligations the principal of and interest on which are directly and fully guaranteed or insured by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America);

(b) investments in commercial paper having, at such date of acquisition, a credit rating of at least A-2 from S&P or P-2 from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within three years from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any Lender or any commercial bank which has a combined capital and surplus and undivided profits of not less than \$100,000,000;

(d) repurchase agreements with a term of not more than 180 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) securities with maturities of three years or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States or by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth or territory, political subdivision, taxing authority or foreign government (as the case may be) are rated, at such date of acquisition, at least A- by S&P or A3 by Moody's;

(f) securities with maturities of three years or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (c) of this definition;

(g) shares of money market funds that (i) comply with the criteria set forth in (a) Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, as amended or (b) Securities and Exchange Commission Rule 3c-7 under the Investment Company Act of 1940, as amended and (ii) have portfolio assets of at least (x) in the case of funds that invest exclusively in assets satisfying the requirements of clause (a) of this definition, \$250,000,000 and (y) in all other cases, \$500,000,000;

(h) in the case of investments by any Foreign Subsidiary, obligations of a credit quality and maturity comparable to that of the items referred to in clauses (a) through (g) above that are available in local markets; and

(i) corporate debt obligations with a Moody's rating of at least A3 or an S&P rating of at least A-, or their equivalent, as follows:

(i) corporate notes and bonds; and

(ii) medium term notes.

**“Person”** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

**“Plan”** means any employee pension benefit plan (within the meaning of Section 3(2) of ERISA, but not including any Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Loan Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” (as defined in Section 3(5) of ERISA).

**“Plan Asset Regulations”** means 29 CFR § 2510.3-101 *et seq.*, as modified by Section 3(42) of ERISA, as amended from time to time.

**“Prime Rate”** means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical

Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent in its reasonable discretion) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent in its reasonable discretion). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“Priority Indebtedness” means (a) Indebtedness of the Parent Borrower or any Subsidiary (other than that described in Section 6.01(e)) secured by any Lien on any asset(s) of the Parent Borrower or any Subsidiary and (b) Indebtedness of any Subsidiary which is not a Guarantor, in each case owing to a Person other than the Parent Borrower or any Subsidiary.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“QFC Credit Support” has the meaning assigned to it in Section 10.17.

“Qualified Keepwell Provider” means, in respect of any Swap Obligation, each Loan Party (other than any Loan Party that is a Foreign Subsidiary of the Parent Borrower) that, at all times during the Swap Guarantee Eligibility Period, has total assets exceeding \$10,000,000 or otherwise constitutes an Eligible Contract Participant and can cause another person to qualify as an Eligible Contract Participant with respect to such Swap Obligation at such time by entering into a keepwell pursuant to section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Reference Time” with respect to any setting of the then-current Benchmark means (i) if such Benchmark is the Term SOFR Rate, 5:00 a.m. (Chicago time) on the day that is two Business Days preceding the date of such setting, (ii) if such Benchmark is EURIBOR Rate, 11:00 a.m. Brussels time two TARGET Days preceding the date of such setting, (iii) if such Benchmark is the HKD Rate, 11:00 a.m. Hong Kong time two business preceding the date of such setting, (iv) if such Benchmark is TIBOR Rate, 11:00 a.m. Japan time two Business Days preceding the date of such setting, (v) if the RFR for such Benchmark is Daily Simple SOFR, then four Business Days preceding the date of such setting or (vi) if such Benchmark is none of the rates referred to above, the time determined by the Administrative Agent in its reasonable discretion.

“Register” has the meaning set forth in Section 10.04(b)(iv).

“Regulation D” means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation T” means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation U” means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

**“Regulation X”** means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

**“Related Line of Business”** means: (a) any line of business in which the Parent Borrower or any of its Subsidiaries is engaged as of, or immediately prior to, the Effective Date, (b) any wholesale, retail or other distribution of products or services under any domestic or foreign patent, trademark, service mark, trade name, copyright or license or (c) any similar, ancillary or related business and any business which provides a service and/or supplies products in connection with any business described in clause (a) or (b) above.

**“Related Parties”** means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

**“Relevant Governmental Body”** means (i) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, the Federal Reserve Board and/or the NYFRB, the CME Term SOFR Administrator, as applicable, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto, (ii) with respect to a Benchmark Replacement in respect of Loans denominated in Euros, the European Central Bank, or a committee officially endorsed or convened by the European Central Bank or, in each case, any successor thereto, (iii) with respect to a Benchmark Replacement in respect of Loans denominated in Yen, the Bank of Japan, or a committee officially endorsed or convened by the Bank of Japan or, in each case, any successor thereto, and (vi) with respect to a Benchmark Replacement in respect of Loans denominated in any other currency, (a) the central bank for the currency in which such Benchmark Replacement is denominated or any central bank or other supervisor which is responsible for supervising either (1) such Benchmark Replacement or (2) the administrator of such Benchmark Replacement or (b) any working group or committee officially endorsed or convened by (1) the central bank for the currency in which such Benchmark Replacement is denominated, (2) any central bank or other supervisor that is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement, (3) a group of those central banks or other supervisors or (4) the Financial Stability Board or any part thereof.

**“Relevant Rate”** means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Adjusted Term SOFR Rate, (ii) with respect to any Term Benchmark Borrowing denominated in Euros, the Adjusted EURIBOR Rate, (iii) with respect to any Term Benchmark Borrowing denominated in Hong Kong Dollars, the Adjusted HKD Rate, (iv) with respect to any Term Benchmark Borrowing denominated in Yen, the Adjusted TIBOR Rate, or (v) with respect to an RFR Borrowing, the applicable Adjusted Daily Simple RFR, as applicable.

**“Relevant Screen Rate”** means (i) with respect to any Term Benchmark Borrowing denominated in Dollars, the Term SOFR Reference Rate, (ii) with respect to any Term Benchmark Borrowing denominated in Euros, the EURIBOR Screen Rate, (iii) with respect to any Term Benchmark Borrowing denominated in Hong Kong Dollars, the HKD Screen Rate, or (iv) with respect to any Term Benchmark Borrowing denominated in Yen, the TIBOR Screen Rate, as applicable.

**“Required Lenders”** means, subject to Section 2.19(b), at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

**“Requirement of Law”** means, as to any Person, the Articles or Certificate of Incorporation and By-Laws, Articles or Certificate of Formation and Operating Agreement, or Certificate of Partnership or partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

**“Resolution Authority”** means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

**“Restricted Payment”** means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Parent Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Parent Borrower or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Parent Borrower or any Subsidiary.

**“Revolving Credit Exposure”** means, with respect to any Lender at any time, the Dollar Equivalent of the sum of the outstanding principal amount of such Lender’s Revolving Loans and its LC Exposure at such time.

**“Revolving Loan”** means a Loan made pursuant to Section 2.03.

**“RFR”** means, for any RFR Loan, Daily Simple SOFR.

**“RFR Borrowing”** means, as to any Borrowing, the RFR Loans comprising such Borrowing.

**“RFR Business Day”** means, for any Loan denominated in Dollars, a U.S. Government Securities Business Day.

**“RFR Interest Day”** has the meaning specified in the definition of “Daily Simple RFR”.

**“RFR Loan”** means a Loan that bears interest at a rate based on the Adjusted Daily Simple RFR.

**“S&P”** means Standard & Poor’s Rating Services, a Standard & Poor’s Financial Services LLC business.

**“Sanctioned Country”** means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea and Syria).

**“Sanctioned Person”** means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any government that is itself the subject or target of Sanctions or (d) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a), (b) or (c), or (e) any Person otherwise the subject of any Sanctions.

**“Sanctions”** means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority.

**“SOFR”** means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

**“SOFR Administrator”** means the NYFRB (or a successor administrator of the secured overnight financing rate).

**“SOFR Administrator’s Website”** means the NYFRB’s website, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

**“SOFR Determination Date”** has the meaning specified in the definition of “Daily Simple SOFR”.

**“SOFR Rate Day”** has the meaning specified in the definition of “Daily Simple SOFR”.

**“Specified Cash Management Agreement”** means any agreement providing for treasury, depositary, purchasing card, credit card or cash management services, including in connection with any automated clearing house transfers of funds or any similar transactions between the Parent Borrower or any of the Subsidiary Borrowers and any Lender or affiliate thereof.

**“Specified Period”** means the period commencing on the First Amendment Effective Date through (but not including) the Specified Period Termination Date.

**“Specified Period Termination Certificate”** means an irrevocable certificate of a Financial Officer the Parent Borrower (similar in form to a certificate delivered pursuant to Section 5.01(c)) (i) stating that such certificate is a Specified Period Termination Certificate and

(ii) certifying that the Parent Borrower was in compliance with a Consolidated Leverage Ratio no greater than 4.25 to 1.00 as of the last day of the two most recent Fiscal Quarters ending prior to the date of such Specified Period Termination Certificate.

**“Specified Period Termination Date”**: the earlier of (x) the date of delivery of the (i) the financial statements for the Fiscal Quarter ending June 30, 2022 required to be delivered pursuant to Section 5.01(b) and (ii) the corresponding certificate of a Financial Officer of the Parent Borrower certifying compliance with Section 6.07 required to be delivered pursuant to Section 5.01(c) and (y) the date on which the Parent Borrower delivers to the Administrative Agent a Specified Period Termination Certificate; provided that the Parent Borrower may only deliver a Specified Period Termination Certificate concurrently with the delivery of financial statements pursuant to Section 5.01(a) or 5.01(b); provided, further, that the Borrower may only deliver a Specified Period Termination Certificate once, on which date the Specified Period will terminate permanently for all purposes of this Agreement and the other Loan Documents.

**“Specified Swap Agreement”** means any Swap Agreement in respect of interest rates, currency exchange rates or commodity prices entered into by the Parent Borrower or any of the Subsidiary Borrowers and any Person that is a Lender or an affiliate of a Lender at the time such Swap Agreement is entered into.

**“Standby Letter of Credit”** means an irrevocable letter of credit pursuant to which an Issuing Bank agrees to make payments in dollars or an Alternative Currency for the account of the Parent Borrower or jointly and severally for the account of the Parent Borrower and any of its Subsidiaries in respect of obligations of the Parent Borrower or any of its Subsidiaries incurred pursuant to contracts made or performances undertaken or to be undertaken or like matters relating to contracts to which the Parent Borrower or any of its Subsidiaries is or proposes to become a party in the ordinary course of the Parent Borrower’s or any of its Subsidiaries’ business, including, but not limited to, for insurance purposes and in connection with lease transactions.

**“Statutory Reserve Rate”** means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Federal Reserve Board to which the Administrative Agent is subject with respect to the Adjusted EURIBOR Rate or Adjusted TIBOR Rate, as applicable, for eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D) or any other reserve ratio or analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Loans. Such reserve percentage shall include those imposed pursuant to Regulation D. Term Benchmark Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

**“subsidiary”** means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other Person the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial

statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other Person (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, directly or indirectly, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, directly or indirectly, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of the Parent Borrower.

“Subsidiary Borrower” means, as applicable, RL Finance B.V., a private company with limited liability organized under the laws of the Netherlands, Ralph Lauren Europe Sàrl (*société à responsabilité limitée*), a limited liability company organized under the laws of Switzerland, or Ralph Lauren Asia Pacific Limited, a limited liability company organized under the laws of Hong Kong.

“Subsidiary Obligations” means the unpaid principal of and interest on the Loans made to and reimbursement obligations of each Subsidiary Borrower (including, without limitation, interest accruing after the maturity of the Loans made to and reimbursement obligations of such Subsidiary Borrower and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to such Subsidiary Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of the Subsidiary Borrowers to the Administrative Agent or to any Lender (or, in the case of Specified Swap Agreements and Specified Cash Management Agreements, any affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, any Specified Swap Agreement, any Specified Cash Management Agreement, any guarantee thereof or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise; provided, that for purposes of determining the obligations of any Guarantor under this Agreement and the Guarantee Agreement, the definition of “Subsidiary Obligations” shall not create any guarantee by any Guarantor of any Excluded Swap Obligations of such Guarantor.

“Supported QFC” has the meaning set forth in Section 10.17.

“Swap” means any agreement, contract, or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option, cap or collar agreements or similar agreement involving, or settled by reference to, one or more interest or exchange rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for

payments only on account of services provided by current or former directors, officers, employees or consultants of the Parent Borrower or the Subsidiaries shall be a Swap Agreement.

“Swap Guarantee Eligibility Period” means, with respect to a Guarantor and the relevant Swap Obligation, the period from and including the date on which the relevant guarantee (or grant of the relevant security interest, as applicable) became effective with respect to such Swap Obligation until the date on which such guarantee (or grant of the relevant security interest, as applicable) is no longer in effect. For the avoidance of doubt, the Swap Guarantee Eligibility Period shall commence on the date of the execution of a Swap if the corresponding guarantee (or grant of security interest) is then in effect, and otherwise it shall commence on the date of execution and delivery of the relevant guarantee (or grant of security interest) unless the guarantee (or relevant collateral agreement or pledge documentation, as applicable) specifies a subsequent effective date.

“Swap Obligation” means, with respect to any Person, any obligation to pay or perform under any Swap.

“Swiss 10-Non-Bank Rule” means the rule that the aggregate number of creditors (within the meaning of the Swiss Guidelines) (including the Lenders) of a Swiss Borrower under this Agreement that are not Swiss Qualifying Banks must not at any time exceed 10, in each case in accordance with the meaning of the Swiss Guidelines or the applicable legislation or explanatory notes addressing the same issues that are in force at such time.

“Swiss 20-Non-Bank Rule” means the rule that (without duplication) the aggregate number of lenders (including the Lenders), other than Swiss Qualifying Banks, of a Swiss Borrower under all its outstanding debt relevant for classification as debenture (*Kassenobligation*) (including debt arising under this Agreement), facilities and/or private placements must not at any time exceed 20, in each case in accordance with the meaning of the Swiss Guidelines or the applicable legislation or explanatory notes addressing the same issues that are in force at such time.

“Swiss Borrower” means, for purposes of Swiss Withholding Tax, a Borrower that is organized under the laws of Switzerland or which is treated as resident in Switzerland for Swiss Withholding Tax purposes.

“Swiss Guidelines” means all relevant guidelines or explanatory notes issued by the Swiss Federal Tax Administration as amended, replaced or newly issued from time to time, including the established practice of the Swiss Federal Tax Administration or as substituted or superseded and overruled by any law, statute, ordinance, court decision, regulation or the like as in force from time to time.

“Swiss Loan Party” means a Swiss Borrower and each Loan Party that is organized under the laws of Switzerland (each, a “Swiss Loan Party”).

“Swiss Non-Bank Rules” means the Swiss 10-Non-Bank Rule and the Swiss 20-Non-Bank Rule.

“Swiss Permitted Non-Qualifying Banks” means, in aggregate, up to 10 Lenders which are not, in each case, a Swiss Qualifying Bank; and “Swiss Permitted Non-Qualifying Bank” means one of them.

“Swiss Qualifying Bank” means (a) any bank as defined in the Swiss Federal Code for Banks and Savings Banks dated 8 November 1934 (*Bundesgesetz über die Banken und Sparkassen*) as amended from time to time; and (b) a person or entity which effectively conducts banking activities with its own infrastructure and staff as its principal business purpose and which has a banking license in full force and effect issued in accordance with the banking laws in force in its jurisdiction of incorporation, or if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch, all and in each case in accordance with the Swiss Guidelines.

“Swiss Withholding Tax” means the tax imposed based on the Swiss Federal Act on Withholding Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer vom 13. Oktober 1965, SR 642.21*), as amended from time to time together with the related ordinances, regulations and guidelines.

“Switzerland” means the Swiss Confederation.

“Syndication Agent” means Bank of America, N.A., in its capacity as syndication agent, and its successors in such capacity.

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

“TARGET Day” means any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, or other charges imposed by any Governmental Authority, including interest, additions to tax or penalties applicable thereto.

“Term Benchmark” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted Term SOFR Rate, the Adjusted EURIBOR Rate, the Adjusted HKD Rate or the Adjusted TIBOR Rate.

“Term SOFR Determination Day” has the meaning assigned to it under the definition of Term SOFR Reference Rate.

“Term SOFR Rate” means, with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable

Interest Period, as such rate is published by the CME Term SOFR Administrator; provided that, if the Term SOFR Reference Rate shall not be available at such time for such Interest Period (an “Impacted Term SOFR Rate Interest Period”) with respect to Dollars then the Term SOFR Rate shall be the Interpolated Rate.

“Term SOFR Reference Rate” means, for any day and time (such day, the “Term SOFR Determination Day”), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum determined by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 pm (New York City time) on such Term SOFR Determination Day, the “Term SOFR Reference Rate” for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding Business Day is not more than five (5) Business Days prior to such Term SOFR Determination Day.

“TIBOR Rate” means, with respect to any Term Benchmark Borrowing denominated in Yen and for any Interest Period, the TIBOR Screen Rate at approximately 11:00 a.m., Japan time, two Business Days prior to the commencement of such Interest Period; provided that, if the TIBOR Screen Rate shall not be available at such time for such Interest Period (an “Impacted TIBOR Rate Interest Period”) with respect to Yen then the TIBOR Rate shall be the Interpolated Rate.

“TIBOR Screen Rate” means the Tokyo interbank offered rate administered by the Ippan Shadan Hojin JBA TIBOR Administration (or any other Person which takes over the administration of that rate) for Yen and the relevant currency and period displayed on page DTIBOR01 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters as of 1:00 p.m. Japan time two Business Days prior to the commencement of such Interest Period.

“Transactions” means the execution, delivery and performance by the Borrowers of this Agreement and by the Guarantors of the Guarantee Agreement, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted Term SOFR Rate, the Adjusted EURIBOR Rate, the Adjusted HKD Rate, the Adjusted TIBOR Rate, the Alternate Base Rate or the Adjusted Daily Simple RFR.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

**“UK Resolution Authority”** means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

**“Unadjusted Benchmark Replacement”** means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

**“Unrestricted Cash”** means, with respect to any Person, the cash and Permitted Investments of such Person on a consolidated basis that are not treated as restricted under GAAP.

**“U.S. Government Securities Business Day”** means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

**“U.S. Person”** means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

**“U.S. Special Resolution Regimes”** has the meaning set forth in Section 10.17.

**“U.S. Tax Compliance Certificate”** has the meaning assigned to such term in Section 2.15(f).

**“Voting Stock”** means stock of any class or classes (however designated), or other Equity Interests, of any Person, the holders of which are at the time entitled, as such holders, to vote for the election of the directors or other governing body of the Person involved, whether or not the right so to vote exists by reason of the happening of a contingency.

**“Withdrawal Liability”** means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

**“Write-Down and Conversion Powers”** means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule , and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

**“Yen”** means the lawful currency of Japan.

**SECTION 1.02. Classification of Loans and Borrowings.** For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Revolving Loan”) or by Type (e.g., a “Term Benchmark Loan” or an “RFR Loan”) or by Class and Type (e.g., a “Term

Benchmark Revolving Loan" or an "RFR Revolving Loan"). Borrowings also may be classified and referred to by Class (e.g., a "Revolving Borrowing") or by Type (e.g., a "Term Benchmark Borrowing" or an "RFR Borrowing") or by Class and Type (e.g., a "Term Benchmark Revolving Borrowing" or an "RFR Revolving Borrowing").

**SECTION 1.03. Terms Generally.** The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law, rule or regulation herein shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

**SECTION 1.04. Accounting Terms; GAAP.** Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, notwithstanding anything to the contrary herein, all accounting or financial terms used herein shall be construed, and all financial computations pursuant hereto shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (or any other Financial Accounting Standard or the corresponding Accounting Standards Codification Topic, as applicable, having a similar effect); provided, further that, if the Parent Borrower notifies the Administrative Agent that the Parent Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Parent Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Without limiting the foregoing, and for the avoidance of doubt, if such a notice is given regarding a change in GAAP after such change is adopted but prior to its becoming effective, then the Parent Borrower and the Administrative Agent shall, acting reasonably and in good faith, negotiate an amendment to the provisions of this Agreement affected by such change in GAAP to preserve the original intent of such provisions in light of such change (subject to the approval of the Required Lenders), which amendment shall take effect when such change in GAAP becomes effective.

**SECTION 1.05. Exchange Rates.** (a) For purposes of calculating the Dollar Equivalent of the principal amount of any Loan denominated in an Alternative Currency, the Alternative Currency LC Exposure at any time and the Dollar Equivalent at the time of issuance of any Alternative Currency Letter of Credit then requested to be issued pursuant to Section 2.04(b), the Administrative Agent shall determine the Exchange Rate as of the applicable Exchange Rate Date with respect to each Alternative Currency in which any requested or outstanding Loan or Alternative Currency Letter of Credit is denominated and shall apply such Exchange Rate to determine such amount (in each case after giving effect to any Loan to be made or repaid or Letter of Credit to be issued or to expire or terminate on or prior to the applicable date for such calculation).

(b) For purposes of (i) determining the amount of Indebtedness incurred, outstanding or proposed to be incurred or outstanding under Section 6.01 (but excluding, for the avoidance of doubt, any calculation of Consolidated Net Worth or Consolidated EBITDAR), (ii) determining the amount of obligations secured by Liens incurred, outstanding or proposed to be incurred or outstanding under Section 6.02, or (iii) determining the amount of Material Indebtedness, the net assets of a Person or judgments outstanding under paragraphs (f), (g), (h), (i), (j) or (k) of Article VII, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than dollars shall be translated into dollars at the Exchange Rate on the applicable date, *provided* that no Default shall arise as a result of any limitation set forth in dollars in Section 6.01 or 6.02 being exceeded solely as a result of changes in Exchange Rates from those rates applicable at the time or times Indebtedness or obligations secured by Liens were initially consummated or acquired in reliance on the exceptions under such Sections.

**SECTION 1.06. Divisions.** For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

**SECTION 1.07. Lenders' Status.** Each Lender hereunder confirms as of the date hereof that it is a Swiss Qualifying Bank or counts as (only) one Swiss Permitted Non-Qualifying Bank. Each Lender which becomes a party to this Agreement after the date of this Agreement shall indicate, in the Assignment and Assumption or the New Lender Supplement whether it is a Swiss Qualifying Bank or a Swiss Permitted Non-Qualifying Bank. If a Lender does not declare its status as a Swiss Qualifying Bank or a Swiss Permitted Non-Qualifying Bank or declares its status in that regard to be unknown, such Lender shall be treated as a Lender which is not a Swiss Qualifying Bank or a Swiss Permitted Non-Qualifying Bank.

**SECTION 1.08. Interest Rates; Benchmark Notification.** The interest rate on a Loan denominated in dollars or an Alternative Currency may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.12(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the

administration, submission, performance or any other matter related to any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the existing interest rate being replaced or have the same volume or liquidity as did any existing interest rate prior to its discontinuance or unavailability. The Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any interest rate used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

## ARTICLE II

### THE CREDITS

**SECTION 2.01. Commitments.** (a) Subject to the terms and conditions set forth herein, each Lender severally agrees to make Loans in dollars or an Alternative Currency to the Borrowers from time to time during the Availability Period in an aggregate principal amount that will not result in such Lender's Revolving Credit Exposure exceeding such Lender's Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, each Borrower may borrow, prepay and reborrow Revolving Loans. The obligations of each Borrower under this Agreement are several although the Subsidiary Obligations are guaranteed by the Parent Borrower under Article IX.

(b) The Parent Borrower and any one or more Lenders (including New Lenders) may from time to time after the Effective Date agree that such Lender or Lenders shall establish a new Commitment or Commitments or increase the amount of its or their Commitment or Commitments by executing and delivering to the Administrative Agent, in the case of each New Lender, a New Lender Supplement meeting the requirements of Section 2.01(c) or, in the case of each Lender which is not a New Lender, a Commitment Increase Supplement meeting the requirements of Section 2.01(d). Notwithstanding the foregoing, without the consent of the Required Lenders, (x) the aggregate amount of incremental Commitments established or increased after the Effective Date pursuant to this paragraph shall not exceed \$500,000,000, (y) unless otherwise agreed to by the Administrative Agent, each increase in the aggregate Commitments effected pursuant to this paragraph shall be in a minimum aggregate amount of at least \$15,000,000 and (z) unless otherwise agreed by the Administrative Agent, increases in Commitments may be effected on no more than three occasions pursuant to this paragraph. No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion.

(c) Any additional bank, financial institution or other entity which, with the consent of the Parent Borrower and the Administrative Agent (which consent of the Administrative Agent shall not be unreasonably withheld), elects to become a "Lender" under this Agreement in connection with any transaction described in Section 2.01(b) shall execute a New Lender Supplement (each, a "New Lender Supplement"), substantially in the form of Exhibit D-1, whereupon such bank, financial institution or other entity (a "New Lender") shall become a Lender, with a Commitment in the amount set forth therein that is effective on the date specified therein, for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement.

(d) Any Lender, which, with the consent of the Parent Borrower and the Administrative Agent, elects to increase its Commitment under this Agreement shall execute and deliver to the Parent Borrower and the Administrative Agent a Commitment Increase Supplement specifying (i) the amount of such Commitment increase, (ii) the amount of such Lender's total Commitment after giving effect to such Commitment increase, and (iii) the date upon which such Commitment increase shall become effective.

(e) Unless otherwise agreed by the Administrative Agent, on each date upon which the Commitments shall be increased pursuant to this Section, each Borrower shall prepay all then outstanding Loans made to it, which prepayment shall be accompanied by payment of all accrued interest on the amount prepaid and any amounts payable pursuant to Section 2.14 in connection therewith, and, to the extent it determines to do so, reborrow Loans from all the Lenders (after giving effect to the new and/or increased Commitments becoming effective on such date). Any prepayment and reborrowing pursuant to the preceding sentence shall be effected, to the maximum extent practicable, through the netting of amounts payable between each applicable Borrower and the respective Lenders.

**SECTION 2.02. Loans and Borrowings.** (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.12, each Borrowing shall be comprised entirely of ABR Loans, Term Benchmark Loans, or RFR Loans as the Parent Borrower may request on its own behalf or on behalf of any other Borrower in accordance herewith. Each Lender at its option may make any Term Benchmark Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement; and provided, further, that no such option may be exercised by any Lender if, immediately after giving effect thereto, amounts would become payable by a Loan Party under Section 2.13 or 2.15 that are in excess of those that would be payable under such Section if such option were not exercised.

(c) At the commencement of each Interest Period for any Term Benchmark Borrowing, such Borrowing shall be in an aggregate amount that is (i) in the case of a Term Benchmark Borrowing denominated in dollars, an integral multiple of \$500,000 and not less than \$5,000,000 and (ii) in the case of an Alternative Currency Borrowing, the Dollar Equivalent of

an integral multiple of \$500,000 and not less than the Dollar Equivalent of \$5,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$500,000 and not less than \$500,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(e). Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of 15 Term Benchmark Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

(e) Each Lender may, at its option, make any Loan available to any Subsidiary Borrower by causing any foreign or domestic branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not increase the costs to such Subsidiary Borrower with respect to such Loan or affect the obligation of such Subsidiary Borrower to repay such Loan in accordance with the terms of this Agreement.

**SECTION 2.03. Requests for Borrowings.** To request a Loan, the Parent Borrower (on its own behalf or on behalf of any other Borrower) shall notify the Administrative Agent of such request by hand delivery, telecopy or (pursuant to procedures approved by the Administrative Agent) electronic transmission to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Parent Borrower (a) in the case of a Term Benchmark Borrowing denominated in dollars, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing, (b) in the case of a Term Benchmark Borrowing denominated in an Alternative Currency, not later than 11:00 a.m., New York City time, four Business Days before the date of the proposed Borrowing, or (c) in the case of an ABR Borrowing, not later than 1:00 p.m., New York City time, on the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

- (i) the Borrower of the requested Borrowing;
  - (ii) the aggregate amount of such Borrowing;
  - (iii) the date of such Borrowing, which shall be a Business Day;
  - (iv) whether such Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing;
  - (v) in the case of a Term Benchmark Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";
  - (vi) in the case of a Term Benchmark Borrowing, the currency in which such Borrowing is to be denominated;
- and

(vii) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05.

If no election as to the Type of Borrowing is specified, then the requested Borrowing (i) if such Borrowing is to be denominated in dollars, shall be an ABR Borrowing and (ii) if such Borrowing is to be denominated in an Alternative Currency, shall be a Term Benchmark Borrowing. If no election as to the currency of the requested Borrowing is specified, then the requested Borrowing shall be denominated in dollars. If no Interest Period is specified with respect to any requested Term Benchmark Borrowing, then the Parent Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

**SECTION 2.04. Letters of Credit.** (a) General. Subject to the terms and conditions set forth herein, the Parent Borrower may request the issuance of Letters of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit) in the form of Commercial Letters of Credit or Standby Letters of Credit. Each Letter of Credit shall be issued for the account of the Parent Borrower or jointly and severally for the account of the Parent Borrower and a Subsidiary (other than Ralph Lauren Europe Sàrl), in a form reasonably acceptable to the applicable Issuing Bank (*provided* that each Letter of Credit shall provide for payment against sight drafts drawn thereunder), at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Parent Borrower (or the Parent Borrower and a Subsidiary) to, or entered into by the Parent Borrower (or the Parent Borrower and a Subsidiary) with, the applicable Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. The letters of credit identified on Schedule 2.04 shall be deemed to be "Letters of Credit" issued on the Effective Date for all purposes of the Loan Documents. No Issuing Bank shall at any time be obligated to issue any Letter of Credit if such issuance would conflict with, or cause the Issuing Bank or any Lender to exceed any limits imposed by, any applicable Requirement of Law. Notwithstanding anything herein to the contrary, no Issuing Bank shall have any obligation hereunder to issue, or shall issue, any Letter of Credit the proceeds of which would be made available to any Person (i) to fund any activity or business of or with any Sanctioned Person, or in any country or territory that, at the time of such funding, is the subject of any Sanctions or (ii) in any manner that would result in a violation of any Sanctions by any party to this Agreement.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Parent Borrower shall hand deliver, telecopy or (pursuant to procedures approved by the applicable Issuing Bank) electronically transmit to the applicable Issuing Bank and, in the case of a Commercial Letter of Credit if the Administrative Agent shall have so requested and in the case of all Standby Letters of Credit, the Administrative Agent (in the case of (i) Letters of Credit denominated in dollars, reasonably in advance of the requested date of issuance, amendment, renewal or extension, (ii) Letters of Credit denominated in Euros, prior to 12:00 noon, New York City time, three Business Days in advance of the requested date of issuance, amendment, renewal or extension and (iii) Letters of Credit denominated in any

Alternative Currencies other than Euros, prior to 12:00 noon, New York City time, four Business Days in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension, the currency in which such Letter of Credit is to be denominated (which shall be dollars or, subject to Section 2.18, an Alternative Currency), the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit, *provided* that in no event shall any Issuing Bank other than JPMorgan Chase Bank, N.A. or one or more other Issuing Banks designated from time to time by the Parent Borrower and reasonably acceptable to the Administrative Agent issue any Alternative Currency Letter of Credit hereunder. If requested by the applicable Issuing Bank, the Parent Borrower (or the Parent Borrower and a Subsidiary) also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the applicable Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the Dollar Equivalent of the LC Exposure with respect to Letters of Credit shall not exceed \$50,000,000 and (ii) the total Revolving Credit Exposures shall not exceed the total Commitments. Subsequent to the receipt by any Issuing Bank of a Notification Instruction (as defined below) from the Administrative Agent which shall not have been withdrawn, such Issuing Bank will contact the Administrative Agent prior to the issuance or increase in any Letter of Credit to determine whether or not such issuance or increase would result in any of the limitations set forth in the preceding sentence being exceeded. For purposes of this Section 2.04(b), a "Notification Instruction" shall mean any instruction from the Administrative Agent requiring that an Issuing Bank make the calculations described in the preceding sentence, which instruction the Administrative Agent (i) may deliver at any time when it determines that the percentage which the aggregate Revolving Credit Exposures constitutes of the aggregate Commitments then in effect is greater than 80% and (ii) will withdraw when it determines that such percentage is equal to or less than 80%. For purposes of the third preceding sentence the amount of any Alternative Currency Letter of Credit shall be the Dollar Equivalent thereof calculated on the basis of the applicable Exchange Rate determined in accordance with Section 1.05.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date; *provided* that any Letter of Credit may provide for the renewal thereof for additional periods not exceeding one year each pursuant to customary "evergreen" provisions (which shall in no event extend beyond the date referred to in clause (ii)).

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders, such Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent in dollars, for the account of such Issuing Bank, such Lender's Applicable Percentage of (i) each LC

Disbursement made by such Issuing Bank in dollars and (ii) the Dollar Equivalent, using the Exchange Rate at the time such payment is made, of each LC Disbursement made by such Issuing Bank in an Alternative Currency and, in each case, not reimbursed by the Parent Borrower (or a Subsidiary) on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Parent Borrower (or a Subsidiary) for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit, the occurrence and continuance of a Default or failure to satisfy any of the conditions set forth in Article IV, the reduction or termination of the Commitments, any setoff, counterclaim, recoupment, defense or other right that such Lender may have against the Issuing Bank, any Borrower or any other Person for any reason whatsoever, any adverse change in the condition (financial or otherwise) of any Borrower, any breach of this Agreement or any other Loan Document by the Borrower or any other Loan Party or any other Lender or any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Parent Borrower (or the Subsidiary that is jointly and severally liable with respect to such Letter of Credit) shall reimburse such LC Disbursement by paying to such Issuing Bank an amount equal to such LC Disbursement in dollars, on the date that such LC Disbursement is made (or, if such date is not a Business Day, on or before the next Business Day); provided that, if such LC Disbursement is made under an Alternative Currency Letter of Credit, automatically and with no further action required, the Parent Borrower's (or such Subsidiary's) obligation to reimburse the applicable LC Disbursement shall be permanently converted into an obligation to reimburse the Dollar Equivalent, calculated using the Exchange Rate at the time such payment is made, of such LC Disbursement, and provided, further, that, in the case of any such reimbursement obligation which is in an amount of not less than \$500,000, the Parent Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed in dollars with an ABR Borrowing in an equivalent amount and, to the extent so financed, the Parent Borrower's (and such Subsidiary's) obligation to make such payment shall be discharged and replaced by the resulting ABR Borrowing. If the Parent Borrower (or such Subsidiary) fails to make when due any reimbursement payment required pursuant to this paragraph, the applicable Issuing Bank shall immediately notify the Administrative Agent, which shall promptly notify each Lender of the applicable LC Disbursement, the Dollar Equivalent thereof calculated in accordance with the preceding sentence (if such LC Disbursement relates to an Alternative Currency Letter of Credit), the reimbursement payment then due from the Parent Borrower (or such Subsidiary) in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender (other than such Issuing Bank) shall pay to the Administrative Agent in dollars its Applicable Percentage of the reimbursement payment then due from the Parent Borrower (or such Subsidiary), in the same manner as provided in Section 2.05 with respect to Loans made by such Lender (and Section 2.05 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to such Issuing Bank in dollars the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Parent Borrower (or such Subsidiary) pursuant to this paragraph, the Administrative Agent shall distribute such payment to the

applicable Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse an Issuing Bank for any LC Disbursement (other than the funding of ABR Loans or RFR Loans as contemplated above) shall not constitute a Loan and shall not relieve the Parent Borrower (and such Subsidiary) of its obligation to reimburse such LC Disbursement.

(f) Letter of Credit Fees.

(i) Commercial Letter of Credit Fee. The Parent Borrower (or the Subsidiary that is jointly and severally liable with respect to the Letter of Credit in question) agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank and the Lenders, a Commercial Letter of Credit fee calculated at the rate per annum equal to the Applicable Rate applicable to Commercial Letters of Credit from time to time in effect on the aggregate average daily amount available to be drawn (calculated, in the case of any Alternative Currency Letter of Credit, on the basis of the Dollar Equivalent thereof using the applicable Exchange Rate in effect on the date payment of such fee is due) under each Commercial Letter of Credit issued hereunder. Commercial Letter of Credit Fees accrued through and including the last day of March, June, September and December of each year shall be payable in arrears on the fifth Business Day following such last day, commencing on the first such date to occur after the date hereof. The Administrative Agent will promptly pay to the Issuing Banks and the Lenders their pro rata shares of any amounts received from the Parent Borrower (or such Subsidiary) in respect of any such fees. Commercial Letter of Credit fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(ii) Standby Letter of Credit Fees. The Parent Borrower (or the Subsidiary that is jointly and severally liable with respect to the Letter of Credit in question) agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank and the Lenders, a Standby Letter of Credit fee calculated at the rate per annum equal to the Applicable Rate applicable to Term Benchmark Loans from time to time in effect on the aggregate average daily amount available to be drawn (calculated, in the case of any Alternative Currency Letter of Credit, on the basis of the Dollar Equivalent thereof using the applicable Exchange Rate in effect on the date payment of such fee is due) under each Standby Letter of Credit issued hereunder (and in no event less than \$500 with respect to each such Standby Letter of Credit). Standby Letter of Credit Fees accrued through and including the last day of March, June, September and December of each year shall be payable in arrears on the fifth Business Day following such last day, commencing on the first such date to occur after the date hereof. The Administrative Agent will promptly pay to the Issuing Banks and the Lenders their pro rata shares of any amounts received from the Parent Borrower (or such Subsidiary) in respect of any such fees. Standby Letter of Credit fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(g) Obligations Absolute. The obligation of the Parent Borrower (or the Subsidiary that is jointly and severally liable with respect to the Letter of Credit in question) to

reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, any application for the issuance of a Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the applicable Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Parent Borrower's (or such Subsidiary's) obligations hereunder. Neither the Administrative Agent, the Lenders nor any Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Bank. Notwithstanding the foregoing, nothing in this Section 2.04(g) shall be construed to excuse such Issuing Bank, the Lenders or the Administrative Agent from liability to the Parent Borrower (or such Subsidiary) to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Parent Borrower (and such Subsidiary) to the extent permitted by applicable law) suffered by the Parent Borrower (or such Subsidiary) that are caused by (x) such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof or (y) the gross negligence, bad faith or willful misconduct of such Issuing Bank, the Lenders or the Administrative Agent as found by a final, non-appealable judgment of a court of competent jurisdiction. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, an Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(h) **Disbursement Procedures.** The applicable Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank shall promptly notify the Administrative Agent and the Parent Borrower (and the Subsidiary that is jointly and severally liable with respect to the Letter of Credit in question, if applicable) in writing (by hand delivery, telecopy or (pursuant to procedures approved by the Administrative Agent) electronic transmission) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Parent Borrower (or the Subsidiary that is jointly and severally liable with respect to the Letter of

Credit in question) of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(i) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the Parent Borrower (or the Subsidiary that is jointly and severally liable with respect to the Letter of Credit in question) shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, including by financing such payment obligation with an ABR Loan in accordance with paragraph (e) of this Section (or, if such date is not a Business Day, on or prior to the next Business Day), the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Parent Borrower (or such Subsidiary) reimburses such LC Disbursement, at the rate per annum then applicable to ABR Loans or RFR Loans; provided that, if the Parent Borrower (or such Subsidiary) fails to reimburse such LC Disbursement when due (including by financing such payment obligation with an ABR Loan) pursuant to paragraph (e) of this Section, then Section 2.11(d) shall apply; and provided, further, that, in the case of an LC Disbursement made under an Alternative Currency Letter of Credit, the amount of interest due with respect thereto shall accrue on the Dollar Equivalent, calculated using the Exchange Rate at the time such LC Disbursement was made, of such LC Disbursement. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(j) Replacement and Resignation of any Issuing Bank. Any Issuing Bank may be replaced at any time by written agreement among the Parent Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of such Issuing Bank. At the time any such replacement shall become effective, the Parent Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.04(f) and 2.10(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of such Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to include a reference to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit or extend or otherwise amend an existing Letter of Credit. Subject to the appointment and acceptance of a successor Issuing Bank, any Issuing Bank may resign as an Issuing Bank at any time upon 30 days' prior written notice to the Administrative Agent, the Borrower and the Lenders, in which case, such resigning Issuing Bank shall be replaced in accordance with this Section.

(k) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Parent Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the then total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Parent Borrower shall deposit in an account with the Administrative Agent, in the name of the

Administrative Agent and for the benefit of the Lenders, an amount in dollars and in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; *provided* that (i) the portions of such amount attributable to undrawn Alternative Currency Letters of Credit shall be deposited in the applicable Alternative Currencies in the actual amounts of such undrawn Letters of Credit and (ii) the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Parent Borrower described in paragraph (h) or (i) of Article VII. Each deposit pursuant to this paragraph shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Parent Borrower (and any Subsidiary for whose account a Letter of Credit has been issued) under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Parent Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Banks for LC Disbursements for which they have not been reimbursed (to be applied ratably among them according to the respective aggregate amounts of the then unreimbursed LC Disbursements) and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Parent Borrower (and each such Subsidiary) for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the then total LC Exposure), be applied to satisfy other obligations of the Parent Borrower (and each such Subsidiary) under this Agreement. If the Parent Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default or, in accordance with Section 2.09(c), the total Revolving Credit Exposure exceeding 105% of the total Commitments, such amount (to the extent not applied as aforesaid) shall be returned to the Parent Borrower within three Business Days after all Events of Default have been cured or waived or, as the case may be, the total Revolving Credit Exposure not exceeding the total Commitments.

(l) Additional Issuing Banks. The Parent Borrower may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld) and such Lender, designate one or more additional Lenders to act as an issuing bank under the terms of this Agreement, *provided* that the total number of Issuing Banks at any time shall not exceed four. Any Lender designated as Issuing Bank pursuant to this paragraph (l) shall be deemed to be an "Issuing Bank" for the purposes of this Agreement (in addition to being a Lender) with respect to Letters of Credit issued by such Lender.

(m) Reporting. Unless the Administrative Agent otherwise agrees, each Issuing Bank will report in writing to the Administrative Agent, with a copy to the Parent Borrower, (i) on the first Business Day of each week and on the second Business Day to occur after the last day of each March, June, September and December, and on such other dates as the Administrative Agent may reasonably request, the daily activity during the preceding week, calendar quarter or other period, as the case may be, with respect to Letters of Credit issued by it, including the aggregate outstanding LC Exposure with respect to such Letters of Credit on each day during such week, quarter or other period, in such form and detail as shall be satisfactory to the Administrative Agent, (ii) on any Business Day on which the Parent Borrower fails to

reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount of such LC Disbursement and (iii) such other information with respect to Letters of Credit issued by such Issuing Bank as the Administrative Agent may reasonably request.

**SECTION 2.05. Funding of Borrowings.** (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that if an ABR Borrowing is requested for disbursement on the same day after 11:00 a.m., New York time, then each Lender shall make the Loan to be made by it hereunder in such manner by 3:00 p.m., New York City time. The Administrative Agent will make such Loans available to the applicable Borrower by promptly crediting the amounts so received, in like funds, to an account of the applicable Borrower maintained with the Administrative Agent and designated by the Parent Borrower in the applicable Borrowing Request; provided that ABR Loans or RFR Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.04(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed time of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available at such time in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender agrees to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the applicable Borrower to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing. If such Lender's share of such Borrowing is not made available to the Administrative Agent by such Lender within three Business Days after the date such amount is made available to the applicable Borrower, the Administrative Agent shall promptly notify the Parent Borrower and any other applicable Borrower of such failure and shall also be entitled to recover such amount from the applicable Borrower, on demand, with interest thereon at the rate per annum applicable to ABR Loans or RFR Loans hereunder accruing from the date of such Borrowing. If the Parent Borrower or the applicable Borrower shall pay to the Administrative Agent such corresponding amount, the Parent Borrower and such applicable Borrower shall have no further obligations to such Lender with respect to such amount.

**SECTION 2.06. Interest Elections.** (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Term Benchmark Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Parent Borrower (on its own behalf or on behalf of any other Borrower) may elect to convert such Borrowing (i) in the case of a Term Benchmark Borrowing denominated in dollars, to an ABR Borrowing; or (ii) in the case of an ABR Borrowing, to a Term Benchmark Borrowing denominated in dollars or to continue such Borrowing in the same currency and, in the case of a Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in

this Section. The Parent Borrower (on behalf of itself or any other Borrower) may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Parent Borrower (on its own behalf or on behalf of another Borrower) shall notify the Administrative Agent of such election by hand delivery, telecopy or electronic transmission (pursuant to procedures approved by the Administrative Agent) to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Parent Borrower by the time that a Borrowing Request would be required under Section 2.03 if the Parent Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Term Benchmark Borrowing; and

(iv) if the resulting Borrowing is a Term Benchmark Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Term Benchmark Borrowing but does not specify an Interest Period, then the Parent Borrower (on its own behalf or on behalf of another Borrower) shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Parent Borrower (on its own behalf or on behalf of another Borrower) fails to deliver a timely Interest Election Request with respect to a Term Benchmark Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing (i) if denominated in dollars, shall be converted to an ABR Borrowing and (ii) if denominated in an Alternative Currency, shall be converted to a one month Interest Period denominated in the same currency as the Term Benchmark Borrowing being continued. Notwithstanding any contrary provision

hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Parent Borrower, then, so long as such Event of Default is continuing (i) no outstanding Borrowing denominated in dollars may be converted to or continued as a Term Benchmark Borrowing and (ii) unless repaid, each Term Benchmark Borrowing denominated in dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

(f) By entering into this Agreement, the parties hereto have assumed in good faith that the interest payable at the rates specified in this Agreement is not and will not be subject to any Tax deduction on account of Swiss Withholding Tax. Nevertheless, if a Tax deduction on account of Swiss Withholding Tax is required by Swiss law to be made by a Swiss Borrower in respect of any interest payable by it under a Loan Document and should it be unlawful for a Swiss Borrower to comply with Section 2.15 for any reason, and if the gross-up in accordance with Section 2.15 is effectively not paid: (i) the applicable interest rate in relation to that interest payment shall be (A) the interest rate which would have applied to that interest payment in the absence of this Section 2.06(f), divided by (B) one minus the rate at which the relevant deduction on account of Swiss Withholding Tax is required to be made (where the rate at which the relevant deduction on account of Swiss Withholding Tax is required to be made is for this purpose expressed as a fraction of one rather than as a percentage); (ii) (A) a Swiss Borrower shall be obliged to pay the relevant interest at the adjusted rate as set forth in this Section 2.06(f), and (B) a Swiss Borrower shall make the deduction on account of Swiss Withholding Tax (within the time allowed and in the minimum amount required by law) on the interest so recalculated; and (iii) all references to a rate of interest under a Loan Document applicable to a Swiss Borrower shall be construed accordingly. To the extent that interest payable by a Swiss Borrower under this Agreement becomes subject to a deduction of Swiss Withholding Tax, each relevant Lender and the Swiss Borrower shall promptly cooperate in completing any procedural formalities (including submitting forms and documents required by the appropriate Tax authority) to the extent possible and necessary for the Swiss Borrower to obtain authorization to make interest payments without them being subject to such deduction of Swiss Withholding Tax or to reduce the applicable withholding tax rate. If a Swiss Borrower pays the interest recalculated under this Section 2.06(f), the Swiss Borrower shall cooperate with each relevant Lender to enable that Lender to receive a full or partial refund of the Swiss Withholding Tax under an applicable double taxation treaty. In the event Swiss Withholding Tax is refunded to a Lender by the Swiss Federal Tax Administration, the relevant Lender shall immediately forward such amount to the Swiss Borrower. This Section 2.06(f) shall not apply and no interest shall be recalculated pursuant to this Section 2.06(f) if a deduction of Swiss Withholding Tax is due as a result of any non-compliance by a Lender with the provisions of Section 10.04 or the Lender (i) making a misrepresentation as to its status according to Section 1.07 as a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank or (ii) ceasing to be a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank after the time it acceded to this Agreement. Notwithstanding anything to the contrary herein, for the avoidance of doubt, (i) a Lender who is not treated as not being a Swiss Qualifying Bank shall not be under any obligation to change its status into a Swiss Qualifying Bank, (ii) the documentation which a Lender executes on becoming a party hereto shall not be invalidated by any failure of a Lender to comply with this Section 2.06(f), Section 10.04 or Section 1.07 and (iii) none of the Loan Documents shall be invalidated by any failure of a Lender to comply with this Section 2.06(f), Section 10.04(b)(i)(A) or Section 1.07 or indicates its status as a Swiss Qualifying Bank or Swiss Permitted Non-Qualifying Bank as unknown.

**SECTION 2.07. Termination and Reduction of Commitments.** (a) Unless previously terminated in accordance with this Agreement, the Commitments shall terminate on the Maturity Date.

(b) The Parent Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$100,000 and not less than \$1,000,000, or, if less than \$1,000,000, the remaining amount of the total Commitments, and (ii) the Parent Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.09, the total Revolving Credit Exposures would exceed the total Commitments.

(c) The Parent Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least two Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Parent Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Parent Borrower may state that such notice is conditioned upon another event, such as the effectiveness of other credit facilities, in which case such notice may be revoked by the Parent Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

**SECTION 2.08. Repayment of Loans; Evidence of Debt.** (a) Each Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan made to such Borrower on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender to such Borrower, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain a Register pursuant to Section 10.04(b)(iv) and an account for each Lender in which it shall record (i) the amount of each Loan made hereunder, the Type and currency thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts and Register maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the applicable Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

**SECTION 2.09. Prepayment of Loans.** (a) Each Borrower shall have the right at any time and from time to time to prepay voluntarily any Borrowing made to such Borrower in whole or in part without premium or penalty, subject to prior notice in accordance with paragraph (b) of this Section.

(b) The Parent Borrower (on its own behalf or on behalf of any other Borrower) shall notify the Administrative Agent in writing (by hand delivery, telecopy or (pursuant to procedures approved by the Administrative Agent) electronic transmission) of any voluntary prepayment hereunder prior to (i) in the case of ABR Loans or RFR Loans, 11:00 a.m., New York City time, on such date of prepayment, (ii) in the case of Term Benchmark Loans denominated in dollars, 12:00 noon, New York City time, on the Business Day immediately preceding such date of prepayment, (iii) in the case of Term Benchmark Loans denominated in Euros, 12:00 noon, New York City time, three Business Days prior to such date of prepayment and (iv) in the case of Term Benchmark Loans denominated in any Alternative Currencies other than Euros, 12:00 noon, New York City time, four Business Days prior to such date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and whether the prepayment is of Term Benchmark Loans, ABR Loans, RFR Loans or a combination thereof, and, if of a combination thereof, the amount allocable to each; provided that, if a notice of voluntary prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.07, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.07. Promptly following receipt of any such notice the Administrative Agent shall advise the Lenders of the contents thereof. Each partial voluntary prepayment of any Borrowing shall be in an aggregate principal amount of \$500,000 or a multiple of \$100,000 in excess thereof (or the Dollar Equivalent thereof). Each voluntary prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing.

(c) If on any Exchange Rate Date the Administrative Agent determines that the total Revolving Credit Exposure exceeds 105% of the total Commitments, the Borrowers shall within three Business Days after such date, prepay Loans and/or deposit cash collateral in an account with the Administrative Agent established and maintained in accordance with Section 2.04(k) in an aggregate amount such that, after deducting therefrom the amount so prepaid and/or so deposited in such account, the total Revolving Credit Exposure does not exceed the total Commitments. The Administrative Agent shall promptly release any collateral theretofore deposited with it pursuant to this Section 2.09 to the extent that on any Exchange Rate Date the total Revolving Credit Exposure does not exceed the total Commitments.

(d) Prepayments shall be accompanied by accrued interest to the extent required by Section 2.11 and any amounts payable pursuant to Section 2.14.

**SECTION 2.10. Fees.** (a) The Parent Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee for the period from and including the Effective Date to the last day of the Availability Period, computed at the Applicable Rate on the average daily amount of the Available Commitment of such Lender during the period for which payment is made. Commitment fees accrued through and including the last day of March, June, September and December of each year shall be payable on the fifth Business Day following such last day, commencing on October 7, 2019; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Parent Borrower agrees to pay to each Issuing Bank the fees agreed upon by the Parent Borrower with such Issuing Bank with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. For the avoidance of doubt, in any case where, in accordance with the second sentence of the definition of Issuing Bank, an Issuing Bank arranges for one or more Letters of Credit to be issued by an Affiliate of such Issuing Bank, the fees agreed upon by such Issuing Bank with the Parent Borrower shall be deemed to have been agreed upon by such Affiliate unless the Parent Borrower and such Affiliate otherwise agree.

(c) The Parent Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Parent Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to each Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders. Except as may be expressly agreed in writing between the Parent Borrower and the Administrative Agent with respect to fees to the Administrative Agent, fees paid shall not be refundable under any circumstances (other than in the case, and to the extent, of any overpayment thereof by the applicable Borrower).

**SECTION 2.11. Interest.** (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Term Benchmark Borrowing shall bear interest in the case of a Term Benchmark Loan, at the Adjusted Term SOFR Rate, the Adjusted EURIBOR Rate, the Adjusted HKD Rate or the Adjusted TIBOR Rate, as applicable, for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Each RFR Loan shall bear interest at a rate per annum equal to the applicable Adjusted Daily Simple RFR plus the Applicable Rate.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at

stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Term Benchmark Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) Interest computed by reference to the Term SOFR Rate, the EURIBOR Rate or Daily Simple RFR with respect to Dollars hereunder shall be computed on the basis of a year of 360 days. Interest computed by reference to the Daily Simple RFR with respect to Sterling, the TIBOR Rate or the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year). In each case interest shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. The applicable Alternate Base Rate, Adjusted Term SOFR Rate, Adjusted EURIBOR Rate, EURIBOR Rate, Adjusted HKD Rate, HKD Rate, Adjusted TIBOR Rate, TIBOR Rate, Adjusted Daily Simple RFR or Daily Simple RFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

**SECTION 2.12. Alternate Rate of Interest.** (a) If, subject to the other provisions of this Section 2.12,

(i) the Administrative Agent reasonably determines (which determination shall be conclusive absent manifest error) that by reason of circumstances affecting the relevant market (i) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted Term SOFR Rate, the Term SOFR Rate, the Adjusted EURIBOR Rate or the EURIBOR Rate, the Adjusted HKD Rate or the HKD Rate, the Adjusted TIBOR Rate or the TIBOR Rate (including because the Relevant Screen Rate is not available or published on a current basis), for the applicable Agreed Currency and such Interest Period or (ii) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Daily Simple RFR or RFR for the applicable Agreed Currency; or

(ii) the Administrative Agent is advised by the Required Lenders that (i) prior to the commencement of any Interest Period for a Term Benchmark Borrowing, Adjusted Term SOFR Rate, the Term SOFR Rate, the Adjusted EURIBOR Rate or the EURIBOR Rate, the Adjusted HKD Rate, the HKD Rate, the Adjusted TIBOR Rate or the TIBOR

Rate for the applicable Agreed Currency and such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable Agreed Currency and such Interest Period or (ii) at any time, the applicable Daily Simple RFR or RFR for the applicable Agreed Currency will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for the applicable Agreed Currency;

then the Administrative Agent shall give notice thereof to the Parent Borrower (on its own behalf or on behalf of any other Borrower) and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Parent Borrower and the Lenders that the circumstances giving rise to such notice no longer exist (which notice by Administrative Agent shall be prompt in such circumstances), (A) any Interest Election Request that requests the conversion of any Revolving Borrowing to, or continuation of any Revolving Borrowing as, a Term Benchmark Borrowing shall be ineffective, (B) if any Borrowing Request requests a Term Benchmark Revolving Borrowing in Dollars, such Borrowing shall be made as an ABR Borrowing and (C) if any Borrowing Request requests a Term Benchmark Borrowing or an RFR Borrowing for the relevant rate above in an Alternative Currency, then such request shall be ineffective; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then all other Types of Borrowings shall be permitted. Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Parent Borrower's receipt of the notice from the Administrative Agent referred to in this **Error! Reference source not found.** with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until the Administrative Agent notifies the Parent Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) if such Term Benchmark Loan is denominated in Dollars, then on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), such Loan shall be converted by the Administrative Agent to, and shall constitute, an ABR Loan denominated in Dollars on such day, (ii) if such Term Benchmark Loan is denominated in any Agreed Currency other than Dollars, then such Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day) bear interest at the Central Bank Rate for the applicable Agreed Currency plus the Applicable Rate; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Agreed Currency other than Dollars shall, at the Borrower's election prior to such day: (A) be prepaid by the Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in any Agreed Currency other than Dollars shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time or (iii) if such RFR Loan is denominated in any Agreed Currency other than Dollars, then such Loan shall bear interest at the Central Bank Rate for the applicable Agreed Currency plus the Applicable Rate; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, any outstanding affected RFR Loans denominated in any Agreed Currency other than Dollars, at the Borrower's election, shall either (A) be converted

into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) immediately or (B) be prepaid in full immediately.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" with respect to Dollars for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" with respect to any Agreed Currency for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(c) In connection with the implementation of a Benchmark Replacement, notwithstanding anything to the contrary herein or in any other Loan Document, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(d) The Administrative Agent will promptly notify the Parent Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (f) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.12, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.12.

(e) Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR, EURIBOR Rate, or TIBOR Rate) and either (a) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by

the Administrative Agent in its reasonable discretion or (b) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (a) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (b) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Term Benchmark Borrowing or RFR Borrowing of, conversion to or continuation of Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, either (x) the Borrower will be deemed to have converted any request for a Term Benchmark Borrowing denominated in Dollars into a request for a Borrowing of or conversion to ABR Loans or (y) any Term Benchmark Borrowing or RFR Borrowing denominated in an Alternative Currency shall be ineffective. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Term Benchmark Loan or RFR Loan in any Agreed Currency is outstanding on the date of the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Term Benchmark Loan or RFR Loan, then until such time as a Benchmark Replacement for such Agreed Currency is implemented pursuant to this Section 2.12, (i) if such Term Benchmark Loan is denominated in Dollars, then on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day), such Loan shall be converted by the Administrative Agent to, and shall constitute, an ABR Loan denominated in Dollars on such day, (ii) if such Term Benchmark Loan is denominated in any Agreed Currency other than Dollars, then such Loan shall, on the last day of the Interest Period applicable to such Loan (or the next succeeding Business Day if such day is not a Business Day) bear interest at the Central Bank Rate for the applicable Agreed Currency plus the Applicable Rate; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, any outstanding affected Term Benchmark Loans denominated in any Agreed Currency other than Dollars shall, at the Borrower's election prior to such day: (a) be prepaid by the Borrower on such day or (b) solely for the purpose of calculating the interest rate applicable to such Term Benchmark Loan, such Term Benchmark Loan denominated in any Agreed Currency other than Dollars shall be deemed to be a Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Term Benchmark Loans denominated in Dollars at such time or (iii) if such RFR Loan is denominated in any Agreed Currency other than Dollars, then such Loan shall bear interest at the Central Bank Rate for the applicable Agreed Currency plus the Applicable Rate; provided that, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, any outstanding affected RFR Loans denominated in any Agreed Currency, at the Borrower's election, shall

either (a) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Equivalent of such Alternative Currency) immediately or (b) be prepaid in full immediately.

**SECTION 2.13. Increased Costs.** (a) If any Change in Law shall:

- (i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted Term SOFR Rate) or any Issuing Bank;
- (ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition affecting this Agreement or Term Benchmark Loans made by such Lender or any Letter of Credit or participation therein; or
- (iii) shall subject the Administrative Agent, any Lender or the Issuing Bank to any Taxes (other than (A) Indemnified Taxes indemnified under Section 2.15, (B) Taxes described in clauses (b) through (f) of the definition of Excluded Taxes or (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender (or in the case of (iii) to such Administrative Agent, Lender or Issuing Bank) of making or maintaining any Term Benchmark Loan (or of maintaining its obligation to make such Loan) or to increase the cost to the Administrative Agent, such Lender or such Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by the Administrative Agent, such Lender or such Issuing Bank hereunder (whether of principal, interest or otherwise), then the Parent Borrower will pay to the Administrative Agent, such Lender or such Issuing Bank, as the case may be, upon demand of such Person, such additional amount or amounts as will compensate the Administrative Agent, such Lender or such Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank reasonably determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital (or on the capital of any corporation controlling such Lender or such Issuing Bank) as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such controlling corporation could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's or such controlling corporation's policies with respect to capital adequacy or liquidity), then from time to time the Parent Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such controlling corporation for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank, as the case may be, as specified in paragraph (a), (b) or (e) of this Section, containing (i) a reasonably detailed explanation of the basis on which such amount or amounts were calculated and the Change in Law by reason of which it has become entitled to be so compensated and (ii) confirmation of the

matters set forth in the last sentence of Section 2.13(d), shall be delivered to the Parent Borrower and shall be conclusive absent manifest error. No Lender or Issuing Bank shall be entitled to the benefits of this Section 2.13 unless such Lender or Issuing Bank shall have complied with the requirements of this Section 2.13. The Parent Borrower shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that the Parent Borrower shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 90 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies the Parent Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided, further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 90-day period referred to above shall be extended to include the period of retroactive effect thereof. Notwithstanding any other provision of this Section 2.13, no Lender or Issuing Bank shall demand compensation for any increased costs or reduction referred to above in this Section if it shall not then be the general policy of such Lender to demand such compensation in similar circumstances from comparable borrowers under comparable provisions of other credit agreements, if any (it being understood, for the avoidance of doubt, that a waiver by any Lender or Issuing Bank in any given case of its right to demand such compensation from any given borrower shall not, in and of itself, be deemed to constitute a change in the general policy of such Lender).

(e) If the cost to any Lender of making or maintaining any Loan to a Subsidiary Borrower that is a Foreign Subsidiary is increased (or the amount of any sum received or receivable by any Lender or its lending office is reduced) by an amount deemed by such Lender to be material, by reason of the fact that such Subsidiary Borrower is a Foreign Subsidiary, such Subsidiary Borrower shall indemnify such Lender for such increased cost or reduction within 15 days after demand by such Lender (with a copy to the Administrative Agent), which such Lender shall make within 90 days from the day such Lender has notice of such increased cost or reduction.

**SECTION 2.14. Break Funding Payments.** In the event of (a) the payment of any principal of any Term Benchmark Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Term Benchmark Loan into an ABR Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Term Benchmark Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(b) and is revoked in accordance therewith), or (d) the assignment of any Term Benchmark Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Parent Borrower pursuant to Section 2.17, then, in any such event, the applicable Borrower shall compensate each Lender for the loss and reasonable cost and expense attributable to such event (excluding loss of margin). In the case of a Term Benchmark Loan, such loss, cost or expense to any Lender shall be deemed to include an amount reasonably determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted

Term SOFR Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the applicable currency of a comparable amount and period from other banks in the applicable Term Benchmark market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, containing a reasonably detailed calculation of such amounts, shall be delivered to the Parent Borrower and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof. No Lender or Issuing Bank shall be entitled to the benefits of this Section 2.14 unless such Lender or Issuing Bank shall have complied with the requirements of this Section 2.14.

**SECTION 2.15. Taxes.** (a) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made free and clear of and without deduction for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that, after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.15), the amounts received with respect to this agreement equal the sum which would have been received had no such deduction or withholding been made. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Each Loan Party shall indemnify the Administrative Agent, each Lender and any Issuing Bank, as promptly as possible but in any event within 30 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Lender or such Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of such Loan Party under any Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and including any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability, together with, to the extent available, a certified copy of a receipt issued by such Governmental Authority evidencing such payment or other evidence of such payment reasonably satisfactory to such Loan Party, delivered to such Loan Party as soon as practicable after any such payment by a Lender or any Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or any Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental

Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) A payment to a Lender shall not be increased under paragraph (a) or (b) of this Section 2.15 and no indemnification is due under paragraph (c) of this Section 2.15 if on the date on which the payment falls due the payment could have been made without any deduction on account of Swiss Withholding Tax (i) had the Lender correctly declared its status as to whether it is a Swiss Qualifying Bank, (ii) had the Lender complied with the assignment, transfer or exposure transfer restrictions pursuant to this Agreement, (iii) had the Lender not ceased to be a Swiss Qualifying Bank, or (iv) had the Swiss Non-Bank Rules not been breached as a result of an assignment or transfer of rights and obligations under this Agreement after the occurrence of an Event of Default.

(f) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax, with respect to payments made under this Agreement or any Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.15(f)(i)(A) and (ii)(B) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Lender that is not a U.S. Person shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(iii) in the case of Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of the applicable IRS Form W-8 establishing an exemption

from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, the applicable IRS Form W-8 establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(iv) executed originals of IRS Form W-8ECI;

(v) in the case of Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit E-1 to the effect that such Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed originals of the applicable IRS Form W-8; or to the extent a Non-U.S. Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, the applicable IRS Form W-8, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if such Lender is a partnership and one or more direct or indirect partners of such Lender are claiming the portfolio interest exemption, such Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner;

(A) any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(B) If a payment made to a Lender hereunder or under any other Loan Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable, or those under an intergovernmental agreement entered into in connection with the implementation of Sections 1471 through 1474 of the Code), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.15(f)(v)(B), “FATCA” shall include any amendments made to FATCA after the date of this Credit Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Each Lender shall indemnify the Administrative Agent, within 10 days after demand therefor, for the full amount of any Taxes imposed by any Governmental Authority, together with any reasonable costs and expenses arising therefrom or with respect thereto, that are attributable (i) to such Lender and that are payable or paid by the Administrative Agent and (ii) to a Lender's failure to comply with the provisions of Section 10.04(c) relating to the maintenance of a Participant Register. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error.

(h) If the Administrative Agent, a Lender or an Issuing Bank determines that it has received a refund which, in the good faith judgment of the Administrative Agent, such Lender or such Issuing Bank, as the case may be, is allocable to any Indemnified Taxes or Other Taxes as to which it has been indemnified by a Loan Party or with respect to which a Loan Party has paid additional amounts pursuant to this Section 2.15, it shall promptly pay over such refund to such Loan Party (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section 2.15 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of the Administrative Agent or such Lender or such Issuing Bank and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that such Loan Party, upon the request of the Administrative Agent or such Lender or such Issuing Bank, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority attributable to such amount (including the reasonable out-of-pocket expenses described above of the Administrative Agent or such Lender or such Issuing Bank)) to the Administrative Agent or such Lender or such Issuing Bank in the event the Administrative Agent or such Lender or such Issuing Bank is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender or an Issuing Bank to make available its tax returns (or any other information relating to its taxes which it deems confidential) to any Loan Party or any other Person.

(i) For purposes of this Section, the term "Lender" includes any Issuing Bank and the term "applicable law" includes FATCA.

**SECTION 2.16. Payments Generally; Pro Rata Treatment; Sharing of Set-offs.** (a) Each Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.13, 2.14 or 2.15, or otherwise) prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent or an Issuing Bank, as applicable, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 10 South Dearborn Street, 7th Floor, Chicago, Illinois 60603-2300 and to the wire instructions of the Administrative Agent set forth in Section 9.06 (or such other address or wire instructions of the Administrative Agent that may be provided from

time to time by the Administrative Agent), except payments to be made directly to an Issuing Bank as expressly provided herein and except that payments pursuant to Sections 2.13, 2.14, 2.15 and 10.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars except (i) payments of principal of and interest on any Alternative Currency Loan shall be paid in the applicable currency and (ii) as provided in Section 2.04(k).

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest, fees, expenses and other amounts then due hereunder, such funds shall be applied (i) first, towards payment of interest, fees, expenses and other amounts then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest, fees, expenses and other amounts then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties. Notwithstanding the foregoing, no amounts received from any Guarantor shall be applied to Excluded Swap Obligations of such Guarantor.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the applicable Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply), or any payment obtained pursuant to a court order. Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from a Borrower prior to the date on which any payment is due to the Administrative Agent for the

account of the Lenders or an Issuing Bank hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or such Issuing Bank, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders or such Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(d) or (e), 2.05(b) or 2.16(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

(f) In order to expedite the transactions contemplated by this Agreement, each Subsidiary Borrower hereby appoints the Parent Borrower to act as agent on behalf of such Subsidiary Borrower for the purpose of (i) giving any notices or requests contemplated to be given by such Subsidiary Borrower pursuant to this Agreement, including, without limitation, Borrowing Requests, prepayment notices and Interest Election Requests and (ii) paying on behalf of such Subsidiary Borrower any Subsidiary Obligations owing by such Subsidiary Borrower; provided, that each Subsidiary Borrower shall retain the right, in its discretion, to give directly any or all of such notices or requests or to make directly any or all of such payments.

(g) The obligations of each Borrower under this Agreement are several although the Subsidiary Obligations are guaranteed by the Parent Borrower under Article IX.

**SECTION 2.17. Mitigation Obligations; Replacement of Lenders.** (a) If any Lender (including any Issuing Bank) requests compensation under Section 2.13, or if any Borrower is required to pay any additional amount to any Lender (including any Issuing Bank) or any Governmental Authority for the account of any Lender (including any Issuing Bank) pursuant to Section 2.15, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans (or interests in Letters of Credit) hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender (including any Issuing Bank), such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.15, as the case may be, in the future and (ii) would not subject such Lender (including any Issuing Bank) to any material unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender (including any Issuing Bank).

(b) If (i) any Lender (including any Issuing Bank) requests compensation under Section 2.13, (ii) any Borrower is required to pay any additional amount to any Lender (including any Issuing Bank) or any Governmental Authority for the account of any Lender (including any Issuing Bank) pursuant to Section 2.15, (iii) any Lender is a Defaulting Lender or (iv) any Lender does not consent to any proposed amendment, supplement, modification, consent or waiver of any provision of this Agreement or any other Loan Document that requires the

consent of each of the Lenders or each of the Lenders affected thereby (so long as the consent of the Required Lenders (with the percentage in such definition being deemed to be 66 2/3% for this purpose) has been obtained), then the Parent Borrower may, at its sole expense (in the case of clauses (i), (ii) and (iv) of this Section 2.17(b) only), upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.04, *provided* that the Parent Borrower shall be required to pay the processing and recordation fee referred to in Section 10.04(b)(ii)(C), or pursuant to deemed assignment provisions established by the Administrative Agent to which the Parent Borrower has previously consented in writing), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that (i) the Parent Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts) (and, if such Lender is an Issuing Bank, all Letters of Credit issued by it shall have been cancelled or other arrangements reasonably satisfactory to such Issuing Bank shall have been made with respect to such Letters of Credit), (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments and (iv) in the case of an assignment pursuant to clause (iv) above, no Default shall have occurred and be continuing. A Lender (including any Issuing Bank) shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Parent Borrower to require such assignment and delegation cease to apply. No such assignment shall be deemed to be a waiver of any rights which any Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

**SECTION 2.18. Change in Law.** If (a) any Change in Law shall make it unlawful for any Issuing Bank to issue Letters of Credit denominated in an Alternative Currency or (b) there shall have occurred any change in national or international financial, political or economic conditions (including the imposition of or any change in exchange controls) or currency exchange rates that would make it impracticable for any Issuing Bank to issue Letters of Credit denominated in such Alternative Currency, then by prompt written notice thereof to the Parent Borrower and to the Administrative Agent (which notice shall promptly be withdrawn whenever such circumstances no longer exist), such Issuing Bank may declare that Letters of Credit will not thereafter be issued by it in the affected Alternative Currency or Alternative Currencies, whereupon the affected Alternative Currency or Alternative Currencies shall be deemed (until such notice is withdrawn) not to constitute an Alternative Currency for purposes of the issuance of Letters of Credit by such Issuing Bank.

**SECTION 2.19. Defaulting Lenders.** Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Available Commitment of such Defaulting Lender pursuant to Section 2.10(a);

(b) the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 10.02); provided, that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of each Lender or each Lender affected thereby;

(c) if any LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Commitments but only to the extent the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Parent Borrower shall within one Business Day following notice by the Administrative Agent cash collateralize for the benefit of the Issuing Bank only such Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.04(k) for so long as such LC Exposure is outstanding;

(iii) if the Parent Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Parent Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.04(f) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Sections 2.10(a) and 2.04(f) shall be adjusted in accordance with such non-Defaulting Lenders' Commitment; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Bank or any other Lender hereunder, all fees payable under Section 2.04(f) with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, no Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the applicable Borrower in accordance with Section 2.19(c), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a

manner consistent with Section 2.19(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event or a Bail-In Action with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Issuing Bank, as the case may be, shall have entered into arrangements with the Parent Borrower or such Lender, satisfactory to the Issuing Bank to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Parent Borrower and the Issuing Bank each agrees, acting in good faith and a commercially reasonable manner, that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Commitment.

## SECTION 2.20. Extension of Maturity Date.

(a) Request for Extension. The Parent Borrower may, by notice to the Administrative Agent (who shall promptly notify the Lenders) not earlier than 60 days and not later than 30 days prior to the Maturity Date then in effect hereunder (the "Existing Maturity Date"), request that each Lender extend such Lender's Maturity Date for an additional 364 days from the Existing Maturity Date; provided, however, that the Parent Borrower may not request more than two such extensions pursuant to this Section 2.20.

(b) Lender Elections to Extend. Each Lender, acting in its sole and individual discretion, shall, by notice to the Administrative Agent given not earlier than 45 days prior to the Existing Maturity Date and not later than the date (the "Notice Date") that is 15 days prior to the Existing Maturity Date, advise the Administrative Agent whether or not such Lender agrees to such extension (and each Lender that determines not to so extend its Maturity Date (a "Non-Extending Lender") shall notify the Administrative Agent of such fact promptly after such determination (but in any event no later than the Notice Date) and any Lender that does not so advise the Administrative Agent on or before the Notice Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree.

(c) Notification by Administrative Agent. The Administrative Agent shall notify the Parent Borrower of each Lender's determination under this Section 2.20 no later than the date 15 days prior to the Existing Maturity Date (or, if such date is not a Business Day, on the next preceding Business Day).

(d) Additional Commitment Lenders. The Parent Borrower shall have the right on or before the Existing Maturity Date to replace each Non-Extending Lender with, and add as "Lenders" under this Agreement in place thereof, one or more Eligible Assignees (each, an "Additional Commitment Lender") as provided in Section 10.04 each of which Additional

Commitment Lenders shall have entered into an Assignment and Assumption pursuant to which such Additional Commitment Lender shall, effective as of the Existing Maturity Date, undertake a Commitment (and, if any such Additional Commitment Lender is already a Lender, its Commitment shall be in addition to such Lender's Commitment hereunder on such date).

(e) Minimum Extension Requirement. If (and only if) the total of the Commitments of the Lenders that have agreed so to extend their Maturity Dates and the additional Commitments of the Additional Commitment Lenders shall be more than 50% of the aggregate amount of the Commitments in effect immediately prior to the Existing Maturity Date, then, effective as of the Existing Maturity Date, the Maturity Date of each Extending Lender and of each Additional Commitment Lender shall be extended to the date falling 364 days after the Existing Maturity Date (except that, if such date is not a Business Day, such Commitment Date as so extended shall be the next preceding Business Day) and each Additional Commitment Lender shall thereupon become a "Lender" for all purposes of this Agreement.

(f) Conditions to Effectiveness of Extensions. Notwithstanding the foregoing, an extension of the Maturity Date pursuant to this Section 2.20 shall not be effective with respect to any Lender unless:

(i) At the time of and immediately after giving effect to such extension, no Default shall have occurred and be continuing;

(ii) The representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (or, in the case of any representation and warranty qualified by materiality, in all respects) on and as of the date of such extension (other than such representations as are made as of a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date) (or, in the case of any representation and warranty qualified by materiality, in all respects as of such earlier date); and

(iii) On or before the then applicable Existing Maturity Date, (1) the Borrowers shall have paid in full the principal of and interest on all of the Loans made by each Non-Extending Lender to the Borrowers hereunder and (2) the Borrowers shall have paid in full all other amounts owing to such Non-Extending Lender hereunder.

(g) Amendment; Sharing of Payments. In connection with any extension of the Maturity Date, the Borrowers, the Administrative Agent and each extending Lender may make such amendments to this Agreement as the Administrative Agent determines to be reasonably necessary to evidence the extension. This Section shall supersede Sections 2.16 and 10.02.

## ARTICLE III

### REPRESENTATIONS AND WARRANTIES

The Parent Borrower represents and warrants and each Subsidiary Borrower represents and warrants (to the extent specifically applicable to such Subsidiary Borrower) to the Lenders that:

**SECTION 3.01. Organization; Powers.** Each of the Borrowers, the Guarantors and the Parent Borrower's Significant Subsidiaries (as defined in Regulation S-X, part 210.1-02 of Title 17 of the Code of Federal Regulations) is duly organized, validly existing and, other than the Swiss Loan Party, in good standing (or, if applicable in a foreign jurisdiction, enjoys the equivalent status under the laws of any jurisdiction of organization outside the United States of America) under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

**SECTION 3.02. Authorization; Enforceability.** The Transactions are within each Loan Party's corporate powers and have been duly authorized by all necessary corporate and, if required, stockholder action. Each Loan Document has been duly executed and delivered by each Loan Party which is a party thereto and constitutes a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, liquidation, reconstruction, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

**SECTION 3.03. Governmental Approvals; No Conflicts.** The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of Parent Borrower or any other Loan Party or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture or any material agreement or other material instrument binding upon Parent Borrower or other Loan Party its assets, or give rise to a right thereunder to require any payment to be made by Parent Borrower or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of Parent Borrower or any of other Loan Party.

**SECTION 3.04. Financial Condition; No Material Adverse Change.** (a) The Parent Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the Fiscal Year ended March 30, 2019, reported on by Ernst & Young LLP, independent public accountants, and (ii) as of and for the Fiscal Quarter and the portion of the Fiscal Year ended June 30, 2019, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Parent Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Since March 30, 2019 there has been no material adverse change in the business, operations, property or condition (financial or otherwise) of the Parent Borrower and its Subsidiaries, taken as a whole; provided that, only during the period from the First Amendment Effective Date until March 31, 2021, the impacts of the Coronavirus pandemic on the business, assets, operations, property or financial condition of the Parent Borrower and its Subsidiaries taken as a whole that (A) have already occurred and were disclosed in writing to the Lenders in the materials distributed to the Lenders on May 22, 2020 and (B) that were reasonably foreseeable (in consequence and duration) in light of any event, development or circumstance described in the foregoing clause (A) (provided that any such additional impacts described in this clause (B) are similar to the previously disclosed impacts described in the foregoing clause (A)), will in each case be disregarded for purposes of determining whether a material adverse change in the business, operations, property or financial condition of the Parent Borrower and its Subsidiaries, taken as a whole, has occurred.

**SECTION 3.05. Properties.** (a) Each of the Parent Borrower and the other Loan Parties has good title to, or valid leasehold interests in, all its real and personal property material to the operation of its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes or such other defects as, in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Each of the Parent Borrower and the other Loan Parties owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business as currently conducted, and the use thereof by the Parent Borrower and the other Loan Parties does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

**Section 3.06. Litigation and Environmental Matters.** (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Borrower, threatened against or affecting Parent Borrower or any of its Subsidiaries (i) which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (except for actions, suits or proceedings disclosed prior to June 30, 2019 in reports publicly filed by the Parent Borrower under the Securities Exchange Act of 1934, as amended, which disclosure was true and correct in all material respects as of the date made and as of the Effective Date) or (ii) that involve this Agreement or the Transactions.

(b) Except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Parent Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Laws or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

**SECTION 3.07. Compliance with Laws and Agreements.** (a) Each of the Parent Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other

instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

(b) The Parent Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Parent Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Parent Borrower, its Subsidiaries and, to the knowledge of the Parent Borrower, their respective officers, employees, directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in Parent Borrower being designated as a Sanctioned Person. None of (a) the Parent Borrower, any Subsidiary or, to the knowledge of the Parent Borrower, any of their respective directors, officers or employees, or (b) to the knowledge of the Parent Borrower, any agent of the Parent Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Transactions contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.

**SECTION 3.08. Investment Company Status.** Neither the Parent Borrower nor any of its Subsidiaries is required to be registered as an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

**SECTION 3.09. Taxes.** Each of the Parent Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Parent Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves to the extent required by GAAP or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

**SECTION 3.10. ERISA.** (i) Except as could not reasonably be expected to result in a Material Adverse Effect, each Plan is in compliance with the applicable provisions of ERISA and the provisions of the Code relating to Plans and the regulations and published interpretations thereunder, and each Foreign Plan is in compliance with applicable non-United States law and regulations thereunder, and (ii) no ERISA Event or Foreign Plan Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events and Foreign Plan Events for which liability has been imposed or is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Accounting Standards Codification No. 715: Compensation Retirement Benefits) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$10,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Accounting Standards Codification No. 715: Compensation Retirement Benefits) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$10,000,000 the fair market value of the assets of all such underfunded Plans.

**SECTION 3.11. Disclosure.** All of the reports, financial statements and certificates furnished by or on behalf of any Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or hereafter delivered hereunder or reports filed pursuant to the Securities Exchange Act of 1934, as amended (as modified or supplemented by other information so furnished prior to the date on which this representation and warranty is made or deemed made) do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Parent Borrower and the Subsidiary Borrowers represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time. As of the Effective Date, to the best knowledge of the Parent Borrower, the information included in the Beneficial Ownership Certification provided by a Borrower on or prior to the Effective Date to any Lender in connection with this Agreement is true and correct in all respects.

**SECTION 3.12. Subsidiary Guarantors.** Set forth on Schedule 3.12 is a list of each Subsidiary which, in accordance with Section 4.01(b), is required to be a Guarantor under the Guarantee Agreement on the Effective Date.

**SECTION 3.13. Anti-Corruption Laws and Sanctions.** The Borrowers have implemented and maintain in effect policies and procedures designed to ensure compliance by the Borrowers, their subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrowers, their subsidiaries and their respective officers and directors and to the knowledge of the Borrowers their employees and agents, are in compliance in all material respects with Anti-Corruption Laws and applicable Sanctions and are not knowingly engaged in any activity that would reasonably be expected to result in a Borrower being designated as a Sanctioned Person. None of (a) the Borrowers, any Subsidiary, any of their respective directors or officers or to the knowledge of the Borrowers or such Subsidiary employees, or (b) to the knowledge of the Borrowers, any agent of a Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions. The foregoing representations in this Section 3.13 will not apply to any party hereto to which Council Regulation (EC) 2271/96 (the “Blocking Regulation”) applies, if and to the extent that such representations are or would be unenforceable by or in respect of that party pursuant to, or would otherwise result in a breach and/or violation of, (i) any provision of the Blocking Regulation (or any law or regulation implementing the Blocking Regulation in any member state of the European Union) or (ii) any similar blocking or anti-boycott law in the United Kingdom.

**SECTION 3.14. EEA Financial Institutions.** No Loan Party is an Affected Financial Institution.

**SECTION 3.15. Plan Assets; Prohibited Transactions.** None of the Borrowers or any of their subsidiaries is an entity deemed to hold “plan assets” (within the meaning of the Plan Asset Regulations), and neither the execution, delivery nor performance of the transactions contemplated under this Agreement, including the making of any Loan and the issuance of any

Letter of Credit hereunder, will give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

**SECTION 3.16. Margin Regulations.** The Borrowers are not engaged and will not engage, principally or as one of their important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing or Letter of Credit extension hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of the Borrowers only or of the Borrowers and their subsidiaries on a consolidated basis) will be Margin Stock.

**SECTION 3.17. Compliance with Swiss Non-Bank Rules.** (a) Subject to clause (b) below, each Swiss Borrower represents that it is at all times in compliance with the Swiss Non-Bank Rules; provided, that, if at any time the aggregate number of Lenders which are not Swiss Qualifying Banks is less than ten in the aggregate, then for the purposes of determining compliance with the Swiss 20-Non-Bank Rule pursuant to this Section 3.16, the relevant Swiss Borrower shall assume that the aggregate number of not Swiss Qualifying Banks hereunder is 10. (b) A Swiss Borrower shall not be in breach of its obligations under clause (a) above if a Swiss Non-Bank Rule is breached as a result of one or more Lenders (i) making a misrepresentation as to its status according to Section 1.07 as a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank or (ii) ceasing to be a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank after the time it acceded to this Agreement.

**SECTION 3.18. Additional Specified Stimulus Indebtedness.** The Parent Borrower hereby represents and warrants that it and/or its applicable Subsidiaries have determined in good faith in consultation with counsel that it and/or such Subsidiaries are eligible to participate in all Additional Specified Stimulus Indebtedness programs that the Parent Borrower and/or such Subsidiaries currently participate in or have applied to participate in, and have taken into consideration in making such determination the rules, regulations and guidance related to such programs.

## ARTICLE IV

### CONDITIONS

**SECTION 4.01. Effective Date.** The obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence reasonably satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received the Guarantee Agreement executed and delivered by each Domestic Subsidiary, if any, which, as of the Effective Date, is a Significant Subsidiary (as defined in Regulation S-X, part 210.1-02 of Title 17 of the Code of Federal Regulations).

(c) [Reserved].

(d) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Kelley Drye & Warren LLP, counsel for the Loan Parties, substantially in the form of Exhibit B. The Borrowers hereby request Kelley Drye & Warren LLP to deliver the opinion provided for in the preceding sentence.

(e) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Loan Parties, the authorization of the Transactions by the Loan Parties and any other legal matters relating to the Loan Parties, this Agreement or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(f) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Parent Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(g) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced at least one Business Day prior to the Effective Date, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Parent Borrower hereunder.

(h) (i) The Administrative Agent shall have received, at least five days prior to the Effective Date, all documentation and other information regarding the Borrowers requested in connection with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, to the extent requested in writing of the Borrowers at least 10 days prior to the Effective Date and (ii) to the extent a Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, at least five days prior to the Effective Date, any Lender that has requested, in a written notice to such Borrower at least 10 days prior to the Effective Date, a Beneficial Ownership Certification in relation to such Borrower shall have received such Beneficial Ownership Certification (*provided* that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied; *further provided* that, the Borrowers shall not be required to provide any personal data or information with respect to any individual, including without limitation personally identifiable information, unless such data or information is required to be provided under applicable “know your customer” and anti-money laundering rules and regulations).

The Administrative Agent shall notify the Parent Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. On the Effective Date, (i) the Commitments of the Lenders shall be as set forth on Schedule 2.01 and (ii) each obligation of the Loan Parties hereunder and under each Loan Document shall be deemed to be obligations of the Loan Parties under the Loan Documents. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 10.02) at or prior to 3:00 p.m., New York City time, on September, 30, 2019 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate).

**SECTION 4.02. Each Credit Event.** The obligation of each Lender to make a Loan on the occasion of any Borrowing, but excluding a conversion of all or a portion of a Borrowing from one Type to the other or a continuation of all or a portion of a Borrowing of the same Type pursuant to Section 2.06, and of each Issuing Bank to issue, increase, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (or, in the case of any representation and warranty qualified by materiality, in all respects) on and as of the date of such Borrowing or the date of issuance, increase, renewal or extension of such Letter of Credit, as applicable (other than such representations as are made as of a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date (or, in the case of any representation and warranty qualified by materiality, in all respects as of such earlier date)); provided, however, that if the proceeds of such Loan are being used to refinance maturing commercial paper issued by the Parent Borrower, then the representations and warranties in Sections 3.04(b) and 3.06(a) shall not apply.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, increase, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

Each Borrowing and each issuance, increase, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the applicable Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

**SECTION 4.03. Additional Condition to Initial Borrowing by Subsidiary Borrowers.** The obligations of the Lenders to make the initial Loan to a particular Subsidiary Borrower shall not become effective, with respect to such Subsidiary Borrower, until the date on which the Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders) of non-U.S. counsel for such Subsidiary Borrower in form and substance customary and typical for such opinion and reasonably satisfactory to the Administrative Agent.

ARTICLE V

**AFFIRMATIVE COVENANTS**

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, the Parent Borrower covenants and agrees with the Lenders that:

**SECTION 5.01. Financial Statements; Ratings Change and Other Information.** The Parent Borrower will furnish to each Lender through the Administrative Agent:

(a) within 90 days after the end of each Fiscal Year, the Parent Borrower's audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Parent Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied; provided, however, that, so long as the Parent Borrower is required to file reports under Section 13 of the Securities and Exchange Act of 1934, as amended, the requirements of this paragraph shall be deemed satisfied by the delivery of, the Annual Report of the Parent Borrower on Form 10-K (or any successor form as prescribed by the Securities and Exchange Commission) for such Fiscal Year, signed by the duly authorized officer or officers of the Parent Borrower;

(b) within 60 days after the end of each of the first three Fiscal Quarters, the Parent Borrower's consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such Fiscal Quarter and the then elapsed portion of the Fiscal Year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Parent Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes; provided, however, that, so long as the Parent Borrower is required to file reports under Section 13 of the Securities and Exchange Act of 1934, as amended, the requirements of this paragraph shall be deemed satisfied by the delivery of the Quarterly Report of the Parent Borrower on Form 10-Q (or any successor form as prescribed by the Securities and Exchange Commission) for the relevant Fiscal Quarter, signed by the duly authorized officer or officers of the Parent Borrower.

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Parent Borrower (i) stating that he or she has obtained no knowledge that a Default has occurred (except as set forth in such

certificate), (ii) if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (iii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.07; and (iv) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 which has had an effect on such financial statements and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) promptly after the same become publicly available, copies of all other periodic and other reports, proxy statements and other materials filed by the Parent Borrower or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by the Parent Borrower to its shareholders generally, as the case may be;

(f) promptly after the Parent Borrower shall have received notice that Moody's or S&P has announced a change in the rating established or deemed to have been established for the Index Debt, written notice of such rating change;

(g) promptly following any request therefor, (x) such other information regarding the business affairs or financial position of the Parent Borrower or any other Loan Party, or compliance with the terms of this Agreement, as the Administrative Agent on behalf of any Lender may reasonably request and (y) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation, provided that the Parent Borrower shall not be required to provide any personal data or information with respect to any individual, including without limitation personally identifiable information, unless such data or information is required to be provided under applicable "know your customer" and anti-money laundering rules and regulations; and

(h) promptly after receipt thereof by any Borrower or any Subsidiary, copies of each written notice or other written correspondence received from the Securities and Exchange Commission (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by the Securities and Exchange Commission or such other agency regarding financial or other operational results of any Borrower or any Subsidiary thereof.

**SECTION 5.02. Notices of Material Events.** The Parent Borrower will furnish to the Lenders through the Administrative Agent prompt written notice of the following after the Parent Borrower shall have obtained knowledge thereof:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Parent Borrower or its Subsidiaries that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event or Foreign Plan Event that, alone or together with any other ERISA Events or Foreign Plan Events that have occurred, could reasonably be expected to result in liability of any Loan Party or any of its ERISA Affiliates in an aggregate amount exceeding \$10,000,000;

(d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect; and

(e) any change in the information provided in the Beneficial Ownership Certification delivered to such Lender that would result in a change to the list of beneficial owners identified in such certification.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Parent Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

**SECTION 5.03. Existence; Conduct of Business.** The Parent Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business except, in each case (other than the case of the foregoing requirements insofar as they relate to the legal existence of the Borrowers and the Guarantors), to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.04.

**SECTION 5.04. Payment of Obligations.** The Parent Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, could reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Parent Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

**SECTION 5.05. Maintenance of Properties; Insurance.** Except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect, the Parent Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted and except for surplus and obsolete properties, and (b) maintain, with financially sound and reputable insurance companies, insurance on such of its property and in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

**SECTION 5.06. Books and Records; Inspection Rights.** The Parent Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which entries in conformity in all material respects with all applicable laws, rules and regulations of any Governmental Authority are made of all dealings and transactions in relation to its business and activities. The Parent Borrower will, and will cause each of its Subsidiaries to, on an annual basis at the request of the Administrative Agent (or at any time after the occurrence and during the continuance of a Default), permit any representatives designated by the Administrative Agent or any Lender (at such Lender's expense), upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records (other than materials protected by the attorney-client privilege and materials which the Parent Borrower or such Subsidiary, as applicable, may not disclose without violation of a confidentiality obligation binding upon it), and to discuss its affairs, finances and condition with its officers and independent accountants, so long as afforded opportunity to be present, all during reasonable business hours. It is understood that so long as no Event of Default has occurred and is continuing, such visits and inspections shall be coordinated through the Administrative Agent.

**SECTION 5.07. Compliance with Laws.** The Parent Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Parent Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Parent Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

**SECTION 5.08. Compliance with Swiss Non-Bank Rules.** (a) Subject to clause (b) below, each Swiss Borrower will comply with the Swiss Non-Bank Rules; provided, that, if at any time the aggregate number of Lenders which are not Swiss Qualifying Banks is less than ten in the aggregate, then for the purposes of determining compliance with the Swiss 20-Non-Bank Rule pursuant to this Section 5.08, the relevant Swiss Borrower shall assume that the aggregate number of not Swiss Qualifying Banks hereunder is 10. (b) A Swiss Borrower shall not be in breach of its obligations under clause (a) above if a Swiss Non-Bank Rule is breached as a result of one or more Lenders (i) making a misrepresentation as to its status according to Section 1.07 as a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank or (ii) ceasing to be a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank after the time it acceded to this Agreement.

**SECTION 5.09. Use of Proceeds and Letters of Credit.** The proceeds of the Loans will be used only to finance the working capital needs, capital expenditures, Permitted Acquisitions, Investments permitted under Section 6.05 and general corporate purposes of the Parent Borrower and its Subsidiaries (including the initiation and maintenance of a commercial paper program, the refinancing of commercial paper and the refinancing of the Existing Credit Agreement). No part of the proceeds of any Loan will be used, whether directly or indirectly, for the purpose of purchasing or carrying, or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any other purpose that entails a violation of any such regulations. The Commercial Letters of Credit shall be used solely to finance purchases of goods by the Parent Borrower and its Subsidiaries in the ordinary course of their business, and the Standby Letters of Credit shall be used solely for the purposes described in the definition of such term in Section 1.01.

**SECTION 5.10. Guarantee Agreement Supplement.** Each Domestic Subsidiary that becomes a Significant Subsidiary subsequent to the Effective Date shall promptly (and in any event within 60 days of becoming a Significant Subsidiary) execute and deliver to the Administrative Agent (with a counterpart for each Lender) a supplement to the Guarantee Agreement pursuant to which such Subsidiary shall become a party thereto as a Guarantor, together with such other documents and legal opinions with respect thereto as the Administrative Agent shall reasonably request (which documents and opinions shall be in form and substance reasonably satisfactory to the Administrative Agent).

**SECTION 5.11. Additional Specified Stimulus Indebtedness.** Before participating in or applying to participate in any Additional Specified Stimulus Indebtedness relief program, each of the Parent Borrower and/or its applicable Subsidiaries shall make a determination in good faith in consultation with counsel that it is eligible to participate in such program, and shall take into consideration in making such determination the rules, regulations and guidance related to such program. Further, the applicable borrower incurring such Additional Specified Stimulus Indebtedness shall comply in all material respects with the laws, rules and regulations (including with respect to use of proceeds) applicable to the relevant credit or financial support program.

## ARTICLE VI

### NEGATIVE COVENANTS

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements shall have been reimbursed, the Parent Borrower covenants and agrees with the Lenders that:

**SECTION 6.01. Indebtedness.** The Parent Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness created hereunder and under the other Loan Documents and Indebtedness created under the 364-Day Credit Agreement;

(b) Indebtedness existing on the Effective Date and set forth in Schedule 6.01 and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or shorten the final maturity or weighted average life to maturity thereof;

(c) Indebtedness of the Parent Borrower to any Subsidiary and of any Subsidiary to the Parent Borrower or any other Subsidiary; provided that, during the Specified Period, other than with respect to Cash Pooling Arrangements, the aggregate amount of Indebtedness incurred by Subsidiaries that are not Loan Parties pursuant to this clause (c) shall not exceed at any one time outstanding \$125,000,000;

(d) Guarantees by the Parent Borrower of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of the Parent Borrower or any other Subsidiary;

(e) Indebtedness of the Parent Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any real property, fixed or capital assets, including Finance Lease Obligations, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that such Indebtedness is incurred no more than 90 days prior to or within 90 days after such acquisition or the completion of such construction or improvement;

(f) Indebtedness acquired or assumed in Permitted Acquisitions and extensions, renewals and replacements of any such indebtedness that do not increase the outstanding principal amount thereof or shorten the final maturity or weighted average life to maturity thereof or have different obligors;

(g) Priority Indebtedness (excluding any Indebtedness permitted by Sections 6.01(e) and (f)) in an aggregate principal amount at any one time outstanding not to exceed (i) during the Specified Period, \$15,000,000 and (ii) on and after the Specified Period Termination Date, 10% of the Parent Borrower's then Consolidated Net Worth;

(h) Unsecured Indebtedness (excluding any Indebtedness permitted by Section 6.01(f)), not otherwise permitted by this Section, of any Borrower or any Subsidiary which is a Guarantor so long as (i) on a pro forma basis after giving effect to the incurrence of such Indebtedness, the ratio of (x) Adjusted Debt then outstanding to (y) Consolidated EBITDAR for the then most recently ended period of four consecutive Fiscal Quarters for which financial statements shall have been delivered to the Lenders pursuant to Section 5.01 is not greater than 3.75 to 1.00;

- (i) Indebtedness under Swap Agreements not entered into for speculative purposes;
- (j) Any joint and several liability as a result of a fiscal unity (*fiscal eenheid*) for Dutch tax purposes;
- (k) Additional Specified Notes Indebtedness; and
- (l) Additional Specified Stimulus Indebtedness.

For purposes of this subsection 6.01, any Person becoming a Subsidiary of the Parent Borrower after the date of this Agreement shall be deemed to have incurred all of its then outstanding Indebtedness at the time it becomes a Subsidiary, and any Indebtedness assumed by the Parent Borrower or any of its Subsidiaries shall be deemed to have been incurred on the date of assumption.

**SECTION 6.02. Liens.** The Parent Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

- (a) Permitted Encumbrances;
- (b) Liens existing on the Effective Date and set forth on Schedule 6.02;

(c) any Lien on any property or asset of the Parent Borrower or any Subsidiary securing Indebtedness permitted by Section 6.01(e) incurred to acquire, construct or improve such property or asset;

(d) Liens solely constituting the right of any other Person to a share of any licensing royalties (pursuant to a licensing agreement or other related agreement entered into by the Parent Borrower or any of its Subsidiaries with such Person in the ordinary course of the Parent Borrower's or such Subsidiary's business) otherwise payable to the Parent Borrower or any of its Subsidiaries, *provided* that such right shall have been conveyed to such Person for consideration received by the Parent Borrower or such Subsidiary on an arm's-length basis;

(e) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to Operating Leases entered into by the Parent Borrower or any of its Subsidiaries in the ordinary course of business;

(f) Liens securing Indebtedness described in clause (a) of the definition of Priority Indebtedness;

(g) Liens securing Indebtedness permitted under Section 6.01(c);

(h) Bankers' liens and rights of setoff with respect to customary depository or other banking arrangements entered into in the ordinary course of business;

(i) Liens attaching solely to cash earnest money or similar deposits in connection with any letter of intent or purchase agreement in connection with a Permitted Acquisition;

(j) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to consignments, *provided* that such Liens extend solely to the assets subject to such consignments; and

(k) Liens, including any netting or set-off, as a result of a fiscal unity (*fiscal eenheid*) for Dutch tax purposes.

**SECTION 6.03. Sale of Assets.** The Parent Borrower will not, nor will it permit any of its Subsidiaries to, sell, lease, transfer or otherwise dispose of (in one transaction or a series of transactions) all or substantially all of the assets of the Parent Borrower and its Subsidiaries taken as a whole.

**SECTION 6.04. Fundamental Changes.** (a) The Parent Borrower will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing, (i) any Subsidiary may merge into the Parent Borrower in a transaction in which the Parent Borrower is the surviving corporation, (ii) any Subsidiary (including a Guarantor) may merge into any other Subsidiary in a transaction in which the surviving entity is a Subsidiary (*provided* that, in the case of a merger of a Subsidiary that is not a Subsidiary Borrower into a Subsidiary Borrower in which the surviving Subsidiary is not the Subsidiary Borrower, the

surviving Subsidiary shall execute and deliver to the Administrative Agent an assumption agreement expressly assuming the Subsidiary Obligations of such Subsidiary Borrower under this Agreement), and (iii) any Subsidiary may liquidate or dissolve if the Parent Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Parent Borrower and its Subsidiaries and is not materially disadvantageous to the Lenders and except that the Parent Borrower or any Subsidiary may effect any acquisition permitted by Section 6.05 by means of a merger of the Person that is the subject of such acquisition with the Parent Borrower or any of its Subsidiaries (*provided* that, in the case of a merger with the Parent Borrower, the Parent Borrower is the survivor); and

(b) The Parent Borrower will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than a Related Line of Business; provided, that the Parent Borrower and any Subsidiary may engage in any business or businesses which are not Related Lines of Business, so long as the Investments made by the Parent Borrower and/or the Subsidiaries in such businesses do not exceed \$750,000,000 in the aggregate, which amount shall be included in the aggregate amount for Investments permitted under Section 6.05(j).

**SECTION 6.05. Investments, Loans, Advances, Guarantees and Acquisitions.** The Parent Borrower will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary prior to such merger) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit or the rights of any licensee under a trademark license to such licensee from the Parent Borrower or any of its Affiliates, except:

- (a) Permitted Investments;
- (b) investments by the Parent Borrower or a Subsidiary in the capital stock of its Subsidiaries;
- (c) loans or advances made by the Parent Borrower to, and Guarantees by the Parent Borrower of obligations of, any Subsidiary, and loans or advances made by any Subsidiary to, and Guarantees by any Subsidiary of obligations of, the Parent Borrower or any other Subsidiary;
- (d) Guarantees constituting Indebtedness permitted by Section 6.01;
- (e) advances or loans made in the ordinary course of business to employees of the Parent Borrower and its Subsidiaries;
- (f) existing Investments not otherwise permitted under this Agreement and described in Schedule 6.05 hereto;
- (g) Investments received in connection with the bona fide settlement of any defaulted Indebtedness or other liability owed to the Parent Borrower or any Subsidiary;

(h) Permitted Acquisitions; provided that if, as a result of a Permitted Acquisition, (i) a new Domestic Subsidiary shall be created and such Domestic Subsidiary is a “Significant Subsidiary” (as defined in Regulation S-X, part 210.1-02 of Title 17 of the Code of Federal Regulations) or (ii) any then existing Domestic Subsidiary shall become such a Significant Subsidiary, such Domestic Subsidiary shall thereafter become party to the Guarantee Agreement as a Guarantor in accordance with Section 5.10; provided further, that during the Specified Period, the aggregate amount of Permitted Acquisitions made pursuant to this clause (h), when taken together with all Investments made during such period pursuant to clause (j), shall not exceed \$100,000,000

(i) Swap Agreements not entered into for speculative purposes; and

(j) Investments, in addition to Investments permitted under clauses (a) through (h) of this Section 6.05, but including Investments permitted under Section 6.04(b) made after the date hereof in an aggregate amount not to exceed \$750,000,000 in any Person or Persons; provided that, during the Specified Period, the aggregate amount of Investments made pursuant to this clause (j), when taken together with all Permitted Acquisitions made during such period pursuant to clause (h), shall not exceed \$100,000,000.

**SECTION 6.06. Transactions with Affiliates.** The Parent Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, (a) any of its Affiliates, (b) a spouse or any relative (by blood, adoption or marriage) within the third degree of any such Affiliate or (c) any other Person which is an Affiliate of any such spouse or relative, except (x) in the ordinary course of business at prices and on terms and conditions, in the aggregate (taking into account all of the Parent Borrower’s or such Subsidiary’s transactions with, and the benefits to the Parent Borrower and its Subsidiaries derived from the Parent Borrower’s or such Subsidiary’s Investment in, such Affiliate), not less favorable to the Parent Borrower or such Subsidiary than could be obtained on an arm’s-length basis from unrelated third parties, excluding customary compensation paid to, and indemnity provided on behalf of, directors, officers and employees of the Parent Borrower and any Subsidiary and (y) transactions between or among the Parent Borrower and its Subsidiaries not involving any other Affiliate.

**SECTION 6.07. Financial Covenants.**

(a) Minimum Liquidity. At all times from the First Amendment Effective Date until the Ratings-Based Pricing Toggle Date, the Parent Borrower will not permit the aggregate Liquidity of the Parent Borrower and its Subsidiaries to be less than \$750,000,000 at any time (it being understood and agreed that, except as required pursuant to Section 6.01(c), compliance with this Section 6.07(a) may be certified by a Financial Officer of the Parent Borrower by e-mail to the Administrative Agent).

(b) Consolidated Leverage Ratio. The Parent Borrower will not permit the Consolidated Leverage Ratio (x) during the Specified Period, to be greater than (i) 5.25 to 1.00 as of the last day of the period of four consecutive Fiscal Quarters ending on September 30, 2021, (ii) 4.75 to 1.00 as of the last day of the period of four consecutive Fiscal Quarters ending

on December 31, 2021 and the period of four consecutive Fiscal Quarters ending on March 31, 2022 and (iii) 4.25 to 1.00 as of the last day of any four consecutive Fiscal Quarters ending on or after June 30, 2022, and (y) after the Specified Period Termination Date, to be greater than 4.25 to 1.00 as of the last day of any four consecutive Fiscal Quarters.

**SECTION 6.08. Anti-Corruption Laws and Sanctions.** The Parent Borrower will not request any Borrowing or Letter of Credit, and the Parent Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (A) for the purpose of funding payments to any officer or employee of a Governmental Authority, or any Person controlled by a Governmental Authority, or any political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

**SECTION 6.09. Restricted Payments.** At any time prior to the Specified Period Termination Date, the Parent Borrower will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) the Parent Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (b) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (c) the Parent Borrower may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and its Subsidiaries and (d) the Parent Borrower and its Subsidiaries may make any other Restricted Payment in the form of a dividend so long as (i) no Event of Default has occurred and is continuing prior to making such Restricted Payment or would arise after giving effect thereto and (ii) the aggregate amount of Restricted Payments made pursuant to this Section 6.09(d) do not exceed (x) \$60,000,000 in the aggregate in any Fiscal Quarter and (y) \$200,000,000 in the aggregate in any Fiscal Year.

## ARTICLE VII

### EVENTS OF DEFAULT

If any of the following events (each, an "Event of Default") shall occur:

- (a) any Borrower shall fail to pay (i) any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise, or (ii) any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable and such failure to pay such reimbursement obligation shall continue unremedied for a period of five Business Days;
- (b) any Borrower shall fail to pay any interest on any Loan or unreimbursed LC Disbursement or any fee or any other amount (other than an amount referred to in

clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five days;

(c) any representation or warranty made or deemed made by or on behalf of the Parent Borrower or any Subsidiary in or in connection with this Agreement or the Guarantee Agreement or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or the Guarantee Agreement or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Parent Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.03 (with respect to each Borrower's existence) or 5.09 or in Article VI;

(e) the Parent Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Parent Borrower (which notice will be given at the request of any Lender);

(f) the Parent Borrower or any Subsidiary shall fail to make any payment of principal or interest, regardless of amount, in respect of any Material Indebtedness, when and as the same shall become due and payable beyond the period (without giving effect to any extensions, waivers, amendments or other modifications of or to such period) of grace, if any, provided in the instrument or agreement under which such Material Indebtedness was created, and, prior to any termination of Commitments or the acceleration of payment of Loans pursuant to this Article VII, such failure is not waived in writing by the holders of such Material Indebtedness;

(g) any event or condition occurs (after giving effect to any applicable grace periods and after giving effect to any extensions, waivers, amendments or other modifications of any applicable provision or agreement) that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause, with the giving of an acceleration or similar notice if required, any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness to the extent such Indebtedness is paid when due;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Parent Borrower or any Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator,

conservator or similar official for the Parent Borrower or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; provided, however, that the occurrence of any of the events specified in this paragraph (h) with respect to any Person other than the Parent Borrower shall not be deemed to be an Event of Default unless (x) the net assets of such Person, determined in accordance with GAAP, shall have exceeded \$20,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event and/or (y) the aggregate net assets of all Loan Parties and other Subsidiaries in respect of which any of the events specified in this paragraph (h) and in paragraphs (i) and (j) of this Article VII shall have occurred shall have exceeded \$50,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event;

(i) the Parent Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; provided, however, that the occurrence of any of the events specified in this paragraph (i) with respect to any Person other than any Borrower shall not be deemed to be an Event of Default unless (x) the net assets of such Person, determined in accordance with GAAP, shall have exceeded \$20,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event and/or (y) the aggregate net assets of all Loan Parties and other Subsidiaries in respect of which any of the events specified in this paragraph (i) and in paragraphs (h) and (j) of this Article VII shall have occurred shall have exceeded \$50,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event;

(j) the Parent Borrower or any Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due; provided, however, that the occurrence of any of the events specified in this paragraph (j) with respect to any Person other than any Borrower shall not be deemed to be an Event of Default unless (x) the net assets of such Person, determined in accordance with GAAP, shall have exceeded \$20,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event and/or (y) the aggregate net assets of all Loan Parties and other Subsidiaries in respect of which any of the events specified in this paragraph (j) and in paragraphs (h) and (i) of this Article VII shall have occurred shall have exceeded \$50,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event;

(k) one or more judgments for the payment of money in an aggregate amount (not paid or covered by insurance) in excess of \$50,000,000 shall be rendered against the Parent Borrower, any Subsidiary or any combination thereof and (i) the same shall remain undischarged for a period of 60 consecutive days from the entry thereof during which execution shall not be effectively stayed or bonded, or (ii) any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Parent Borrower or any Subsidiary to enforce any such judgment;

(l) an ERISA Event or Foreign Plan Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other ERISA Events or Foreign Plan Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur; or

(n) the Guarantee Agreement ceases to be in full force and effect;

then, and in every such event (other than an event with respect to any Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Parent Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder and under any other Loan Document, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; and in case of any event with respect to any Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers.

## ARTICLE VIII

### THE ADMINISTRATIVE AGENT

Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Parent Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02) or in the absence of its own gross negligence, bad faith or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Parent Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

The Administrative Agent may resign as Administrative Agent upon 30 days' notice to the Lenders and the Parent Borrower. Upon any such resignation, the Required Lenders

shall have the right, with the consent of the Parent Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent reasonably satisfactory to the Parent Borrower which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Parent Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Parent Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 10.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender (including each Issuing Bank) acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender (including each Issuing Bank) also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

The Syndication Agent and Co-Documentation Agents shall not have any duties or responsibilities under the Loan Documents in their capacity as such.

Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments, or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers),

is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Administrative Agent, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lenders' entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

## ARTICLE IX

### **GUARANTEE**

**SECTION 9.01. *Guarantee*** (a) The Parent Borrower hereby unconditionally and irrevocably guarantees to the Administrative Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Subsidiary Borrowers when due (whether at the stated maturity, by acceleration or otherwise) of the Subsidiary Obligations (other than, with respect to any Guarantor, any Excluded Swap Obligations of such Guarantor). As used in this Article IX, the term "Lenders" includes affiliates of Lenders which are parties to any Specified Cash Management Agreements or Specified Swap Agreements.

(b) The Parent Borrower agrees that the Subsidiary Obligations may at any time and from time to time exceed the amount of the liability of the Parent Borrower hereunder that would exist in the absence of this Article IX without impairing this

Guarantee or affecting the rights and remedies of the Administrative Agent or any Lender hereunder.

(c) This Guarantee shall remain in full force and effect until all the Subsidiary Obligations shall have been satisfied by payment in full in immediately available funds, no Letter of Credit shall be outstanding and the Commitments shall be terminated, notwithstanding that from time to time during the term of this Guarantee the Subsidiary Borrowers may be free from any Subsidiary Obligations.

(d) No payment made by any Borrower, any Guarantor, any other guarantor or any other Person or received or collected by the Administrative Agent or any Lender from any Borrower, any Guarantor, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Subsidiary Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Parent Borrower hereunder which shall, notwithstanding any such payment (other than any payment made by the Parent Borrower in respect of the Subsidiary Obligations or any payment received or collected from the Parent Borrower in respect of the Subsidiary Obligations), remain liable for the Subsidiary Obligations until the Subsidiary Obligations are paid in full in immediately available funds, no Letter of Credit shall be outstanding and the Commitments are terminated.

**SECTION 9.02. No Subrogation.** Notwithstanding any payment made by the Parent Borrower hereunder or any set-off or application of funds of the Parent Borrower by the Administrative Agent or any Lender, the Parent Borrower shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Subsidiary Borrowers or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Subsidiary Obligations nor shall the Parent Borrower seek or be entitled to seek any contribution or reimbursement from the Subsidiary Borrowers or any other Guarantor in respect of payments made by the Parent Borrower under this Guarantee, until all amounts owing to the Administrative Agent and the Lenders by the Subsidiary Borrowers on account of the Subsidiary Obligations are paid in full in immediately available funds, no Letter of Credit shall be outstanding and the Commitments are terminated. If any amount shall be paid to the Parent Borrower on account of such subrogation rights at any time when all of the Subsidiary Obligations shall not have been paid in full in immediately available funds, such amount shall be held by the Parent Borrower for the benefit of the Administrative Agent and the Lenders, and shall, forthwith upon receipt by the Parent Borrower, be turned over to the Administrative Agent in the exact form received by the Parent Borrower (duly indorsed by the Parent Borrower to the Administrative Agent, if required), to be applied against the Subsidiary Obligations whether matured or unmatured, in such order as the Administrative Agent may determine.

**SECTION 9.03. Amendments, etc. with respect to the Subsidiary Obligations.** The Parent Borrower shall remain obligated under this Guarantee notwithstanding that, without any reservation of rights against the Parent Borrower and without notice to or further assent by the Parent Borrower, any demand for payment of any of the Subsidiary Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender and any of the Subsidiary Obligations continued, and the Subsidiary Obligations or the

liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, in accordance with Section 10.02, as the Administrative Agent (or the Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Subsidiary Obligations may be sold, exchanged, waived, surrendered or released without affecting the Parent Borrower's obligations under this Article IX. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Subsidiary Obligations or for this Guarantee.

**SECTION 9.04. Guarantee Absolute and Unconditional.** The Parent Borrower waives any and all notice of the creation, renewal, extension or accrual of any of the Subsidiary Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon this Guarantee or acceptance of this Guarantee; the Subsidiary Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Article IX; and all dealings between the Parent Borrower and any of the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Article IX. The Parent Borrower waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Subsidiary Borrowers or any of the Guarantors with respect to the Subsidiary Obligations. The Parent Borrower understands and agrees that this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement, any of the Subsidiary Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any Subsidiary Borrower or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of any Borrower or any Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Subsidiary Borrowers for the Subsidiary Obligations, or of the Parent Borrower under this Article IX, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against the Parent Borrower, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Subsidiary Borrowers, any other Guarantor or any other Person or against any collateral security or guarantee for the Subsidiary Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from any Subsidiary Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any Subsidiary Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve the Parent Borrower of any obligation or liability under this Article IX, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law,

of the Administrative Agent or any Lender against the Parent Borrower under this Article IX. For the purposes hereof “demand” shall include the commencement and continuance of any legal proceedings.

**SECTION 9.05. *Reinstatement*.** This Article IX shall continue to be effective, or shall be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Subsidiary Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

**SECTION 9.06. *Payments*.** The Parent Borrower hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in dollars or the applicable Alternative Currency at the office of the Administrative Agent located at 10 South Dearborn Street, 7th Floor, Chicago, Illinois 60603-2300 and to the following wire instructions of the Administrative Agent (or such other address or wire instructions of the Administrative Agent that may be provided from time to time by the Administrative Agent):

Bank: JPMorgan Chase Bank, N.A.

Location: Chicago, Illinois

Account No.: 9008113381C3176

ABA No.: 021000021

Beneficiary: Loan Processing D.P.

Reference: Ralph Lauren Corporation

**SECTION 9.07. *Keepwell*.** Each Borrower Qualified Keepwell Provider hereby jointly and severally absolutely, unconditionally, and irrevocably undertakes to provide such funds or other support as may be needed from time to time for the Parent Borrower to qualify as an Eligible Contract Participant during the Swap Guarantee Eligibility Period in respect of any Swap Obligation (*provided, however,* that each Borrower Qualified Keepwell Provider shall only be liable under this Section 9.07 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 9.07, or otherwise under this Guarantee, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Borrower Qualified Keepwell Provider under this Section 9.07 shall remain in full force and effect until the obligations of the Borrowers under this Agreement have expired, been discharged or have otherwise been terminated in accordance with the terms of this Agreement. Each Borrower Qualified Keepwell Provider intends that this Section 9.07 constitute, and this Section 9.07 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of the Parent Borrower for all purposes of section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

## ARTICLE X

### MISCELLANEOUS

**SECTION 10.01. Notices.** (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein and in the Guarantee Agreement shall be in writing and shall be delivered by hand or nationally recognized overnight courier service, mailed by certified or registered mail, U.S. first class postage prepaid, or sent by telecopy, as follows:

- (i) if to any Borrower, to Ralph Lauren Corporation, 650 Madison Avenue, New York, New York 10022, Attention of Jane Hamilton Nielsen, Executive Vice President, Chief Operating Officer and Chief Financial Officer (Telecopy No. (212) 318-7232), with a copy to Ralph Lauren Corporation, 650 Madison Avenue, New York, New York 10022, Attention of Robert Alexander, Senior Vice President, Treasurer and Global Tax (Telecopy No. (201) 531-6251);
- (ii) if to the Administrative Agent, to JPMorgan Chase Bank, N.A., 10 South Dearborn Street, 7th Floor, Chicago, Illinois 60603-2300, Attention of Carla Evans-Ali (Telecopy No. (844) 490-5663; Emails: carla.evans-ali@chase.com and jpm.agency.servicing.1@jpmchase.com), with a copy to JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 10 South Dearborn, Floor 7, Chicago, Illinois 60603-2300, Attention of Carla Evans-Ali (Telecopy No. (844) 490-5663; Emails: carla.evans-ali@chase.com and jpm.agency.servicing.1@jpmchase.com); and
- (iii) if to any other Lender or any Issuing Bank, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through Electronic Systems, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders (including any Issuing Bank) hereunder may be delivered or furnished by using Electronic Systems pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or any Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes (i) notices and other communications to a Lender (including an Issuing Bank) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications to a Lender (including an Issuing Bank) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the

intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any Lender, by notice to the Administrative Agent and the Parent Borrower).

(d) Electronic Systems.

(iv) Each Loan Party, Issuing Bank and Lender agrees that the Administrative Agent may, but shall not be obligated to, make Communications (as defined below) available to the Issuing Banks and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar Electronic System.

(v) Any Electronic System used by the Administrative Agent is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of such Electronic Systems and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or any Electronic System. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Borrower or the other Loan Parties, any Lender, the Issuing Bank or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the any Loan Party's or the Administrative Agent's transmission of communications through an Electronic System, in each case except as found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of, or material breach of its obligations under the Loan Documents by, such Agent Party. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Bank by means of electronic communications pursuant to this Section, including through an Electronic System.

**SECTION 10.02. Waivers; Amendments.** (a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the Guarantee Agreement are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or the Guarantee Agreement or consent to any departure by any Borrower or any Guarantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor the Guarantee Agreement nor any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers or the Guarantors, as the case may be, and the Required Lenders or by the Borrowers or the Guarantors, as the case may be, and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.16(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) release all or substantially all of the Guarantors from their obligations under the Guarantee Agreement, without the written consent of each Lender (except that no approval of the Lenders shall be required to release a Guarantor in connection with the disposition of all the capital stock of such Guarantor not prohibited by the Loan Documents) or (vi) change any of the provisions of this Section or the definition of "Commitment", the definition of "Required Lenders", the definition of "Applicable Percentage" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided, further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or an Issuing Bank without the prior written consent of the Administrative Agent or such Issuing Bank, as the case may be. If the Administrative Agent and the Parent Borrower acting together identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or any other Loan Document, then the Administrative Agent and the Parent Borrower shall be permitted to amend, modify or supplement such provision to cure such ambiguity, omission, mistake, typographical error or other defect, and such amendment shall become effective without any further action or consent of any other party to this Agreement.

**SECTION 10.03. Expenses; Indemnity; Damage Waiver.** (a) The Parent Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Syndication Agent and the Lead Arrangers, including the reasonable fees, charges and disbursements of one domestic counsel for the Administrative Agent and the Lead Arrangers, collectively, in connection with the syndication of the credit facilities provided for herein, the preparation of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof and (ii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender, including the reasonable fees, charges and disbursements of one domestic counsel and one foreign counsel, as necessary, in each applicable jurisdiction for the Administrative Agent, the Syndication Agent, any Issuing Bank or any Lender, in connection with the enforcement or preservation of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Parent Borrower shall indemnify the Administrative Agent, the Syndication Agent, the Co-Documentation Agents, the Lead Arrangers, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Parent Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Parent Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not such claim, litigation, investigation or proceeding is brought by the Borrower or any other Loan Party or their respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of, or material breach of its obligations under the Loan Documents by, such Indemnitee or such Indemnitee's employer or any Affiliate of either thereof or any of their respective officers, directors, employees, advisors or agents. Paragraph (b) of this Section shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) To the extent that the Parent Borrower fails to pay any amount required to be paid by it to the Administrative Agent or any Issuing Bank under paragraph (a) or (b) of this Section, but without affecting the Parent Borrower's obligations thereunder, each Lender severally agrees to pay to the Administrative Agent or such Issuing Bank, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was

incurred by or asserted against the Administrative Agent or such Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law, no party hereto shall assert, and each such party hereby waives, any claim against any other party and any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided that, nothing in this clause (d) shall relieve the Borrowers of any obligation they may have to indemnify an Indemnitee against special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

**SECTION 10.04. Successors and Assigns.** (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) a Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by a Borrower without such consent shall be null and void) and (ii) no Lender (including any Issuing Bank) may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, each Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

- (A) the Parent Borrower; provided that no consent of the Parent Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender (provided that such Affiliate is a Swiss Qualifying Bank or a Swiss Permitted Non-Qualifying Bank), an Approved Fund (provided that such Approved Fund is a Swiss Permitted Non-Qualifying Bank) or, if an Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred and is continuing, any other assignee; provided, further, that the Parent Borrower shall be deemed to have consented to any such assignment unless the Parent Borrower shall object thereto by written notice to the Administrative Agent within ten Business Days after having received written notice thereof;
- (B) the Administrative Agent; and
- (C) in the case of an assignment of a Commitment or an interest in Letters of Credit, each Issuing Bank.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Parent Borrower and the Administrative Agent otherwise consent, *provided* that no such consent of the Parent Borrower shall be required if an Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500;

(D) the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire;

(E) no assignment (including any assignment to a Lender, an Affiliate of a Lender or an Approved Fund) shall be permitted if, immediately after giving effect thereto, amounts would become payable by any Borrower under Section 2.13 or 2.15 (including amounts payable under Section 2.15 in respect of withholding taxes) that are in excess of those that would be payable under such Section in respect of the amount assigned if such assignment were not made;

(F) no assignment shall be made to a natural person; and

(G) no assignment shall be made to any Borrower or its Affiliates.

For the purposes of this Section 10.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement (including, in the case of any Non-U.S. Lender (including each Issuing Bank that is a Non-U.S. Lender), obligations under Section 2.15(f)), and the assigning Lender thereunder shall, to the

extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, 2.15 and 10.03); provided, however, that no such assignment or transfer shall be deemed to be a waiver of any rights which any Borrower, the Administrative Agent or any other Lender shall have against such Lender. Any assignment or transfer by a Lender (including an Issuing Bank) of rights or obligations under this Agreement that does not comply with this Section 10.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with, and subject to the conditions set forth in, paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and each Borrower, the Administrative Agent, the Issuing Banks and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by any Borrower, any Issuing Bank and (solely with respect to the Revolving Credit Exposure of such Lender) any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Parent Borrower, the Administrative Agent or any Issuing Bank, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) the relevant Participant will have no proprietary interest in the benefit of this Agreement or in any monies received by such Lender under or in relation to this Agreement, (D) the relevant Participant will under no circumstances be subrogated to, or substituted in respect of, such Lender's claims under this Agreement or have otherwise any contractual relationship with, or rights against, any Borrower under, or in relation to, this Agreement (except as set forth in the following sentence with regards to benefits that each Participant is entitled to under Sections 2.13, 2.14 and 2.15 to the same extent as if it were a Lender and had acquired an interest by assignment pursuant to paragraph (b) of this Section) and (E) the Borrowers, the Administrative Agent, the applicable Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation

shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (i), (ii), (iii), (v) and (vi) of the first proviso to Section 10.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant shall also be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.16(c) as though it were a Lender; provided that, the foregoing sentence shall not apply to Ralph Lauren Europe Sàrl. Each Lender that sells a participation, acting solely for this purpose as a non-fiduciary agent of the Borrowers, shall maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive, and such Lender, each Loan Party and the Administrative Agent shall treat each Person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary.

(ii) A Participant shall not be entitled to the benefits of Section 2.13, 2.14 or 2.15 unless such Participant shall have complied with the requirements of such Section; provided, that in any case in which a Participant is so entitled, any such Participant shall not be entitled to receive any greater payment under Section 2.13, 2.14 or 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Parent Borrower's prior written consent, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. A Participant that would be a Non-U.S. Lender if it were a Lender shall not be entitled to the benefits of Section 2.15 unless the Parent Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the applicable Borrower, to comply with Section 2.15(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall (i) release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto (ii) require any payments to be made by any Borrower or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Loan Documents, or (iii) upon any enforcement of such pledge or assignment of a security interest, result in any assignment, transfer or sub-participation of any such rights under the Loan Documents which is in breach of this Clauses (a), (b) or (c) of this Section 10.04.

**SECTION 10.05. Survival.** All representations and warranties made by the Borrowers herein and the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, and shall terminate at such time as no principal or accrued interest on any Loan or any fee or any other amount payable under this Agreement (other than contingent indemnification obligations that are not due and payable) is outstanding and unpaid, no Letter of Credit is outstanding and the Commitments have expired or been terminated. The provisions of Sections 2.13, 2.14, 2.15, 10.03, 10.13 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

**SECTION 10.06. Counterparts; Integration; Effectiveness.** (a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the Guarantee Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") (which, as applicable, shall be delivered as set forth in Section 10.01) that is an Electronic Signature transmitted, to the extent permitted by Section 10.01 and this sentence, by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent, any Borrower, any other Loan Party or any Lender, any such Electronic Signature shall be promptly followed by a manually executed counterpart. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic

means that reproduces an image of an actual executed signature page), 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. Without limiting the generality of the foregoing, the Borrower and each Loan Party hereby, subject to the provisos in the first sentence of this Section 10.06(b), (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrower and the Loan Parties, Electronic Signatures transmitted (to the extent permitted by Section 10.01 and the first sentence of this Section 10.06(b)) by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent, each of the Lenders, each Borrower and each other Loan Party may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender and its related parties for any losses, claims, damages, liabilities and related expenses arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions (to the extent permitted by Section 10.01 and the first sentence of this Section 10.06(b)) by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any losses, claims, damages, liabilities and related expenses arising as a result of the failure of the Borrower and/or any Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

**SECTION 10.07. Severability.** 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.

**SECTION 10.08. Right of Setoff.** If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower against any of and all the obligations of any Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured; provided that, to the extent prohibited by applicable law as described in the definition of "Excluded Swap Obligation", no amounts received from, or set off with respect to, any Guarantor shall be applied to any Excluded Swap Obligations of such Guarantor. The rights of each Lender under this

Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

**SECTION 10.09. Governing Law; Jurisdiction; Consent to Service of Process.** (a) This Agreement and the other Loan Documents shall be construed in accordance with and governed by the law of the State of New York without reference to rules or principles that would require the application of the laws of any other jurisdiction.

(b) Each of the Lenders and the Administrative Agent hereby irrevocably and unconditionally agrees that, notwithstanding the governing law provisions of any applicable Loan Document, any claims brought against the Administrative Agent by any Lender relating to this Agreement, any other Loan Document or the consummation or administration of the transactions contemplated hereby or thereby shall be construed in accordance with and governed by the law of the State of New York.

(c) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such Federal (to the extent permitted by law) or New York State court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrowers, any Loan Party or its properties in the courts of any jurisdiction.

(d) Each party to this Agreement hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(e) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

**SECTION 10.10. WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD

NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**SECTION 10.11. Headings.** Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

**SECTION 10.12. Confidentiality.** Each of the Administrative Agent, each Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors, in each case who have a need to know such Information in accordance with customary banking practices (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners) (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Borrower and its obligations, (g) with the consent of the Parent Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than a Borrower which is not subject to a confidentiality obligation known to the Administrative Agent and the Lenders with respect to such information. For the purposes of this Section, "Information" means all information received from any Borrower or any Subsidiary relating to such Borrower, any Subsidiary or their respective businesses, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by such Borrower or any Subsidiary and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry; provided that, in the case of information received from any Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

**SECTION 10.13. Satisfaction in Applicable Currency.** (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such

other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligation of each Borrower hereunder or in respect of the Letters of Credit to make payments in a currency (the “Agreement Currency”) shall, notwithstanding any judgment in a currency (the “Judgment Currency”) other than the Agreement Currency, be discharged only to the extent that, on the Business Day following receipt by the Administrative Agent and the Lenders of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent and the Lenders may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent and the Lenders in the Agreement Currency, the applicable Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent, the Issuing Banks and each Lender (as an alternative or additional cause of action) against such loss (if any) and if the amount of the Agreement Currency so purchased exceeds the sum originally due to the Administrative Agent and the Lenders in the Agreement Currency, the Administrative Agent and the Lenders agree to remit such excess to the applicable Borrower. The obligations of each Borrower contained in this Section 10.13 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

**SECTION 10.14. Acknowledgement and Consent to Bail-In of Affected Financial Institutions.** Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by: the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

- (i) a reduction in full or in part or cancellation of any such liability;
- (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
- (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

**SECTION 10.15. No Fiduciary Duty.** The Administrative Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the “Lenders”), may have economic interests that conflict with those of each of the Borrowers, its stockholders and/or its affiliates. Each Borrower agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and any Borrower, its stockholders or its affiliates, on the other. Each Borrower acknowledges and agrees that (i) the transactions contemplated by the

Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrowers, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Borrower, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Borrower, its stockholders or its Affiliates on other matters) or any other obligation to any Borrower except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Borrower, its management, stockholders, creditors or any other Person. Each Borrower acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Borrower, in connection with such transaction or the process leading thereto.

**SECTION 10.16. USA PATRIOT Act.** Each Lender and the Administrative Agent hereby notifies the Borrowers that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Patriot Act”), such Lender and Agent is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act. The Borrowers shall provide such information and take such actions as are reasonably requested by the Administrative Agent or any Lender in order to assist the Administrative Agent and the Lenders in maintaining compliance with the Patriot Act.

**SECTION 10.17. Acknowledgement Regarding Any Supported QFCs.** To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support “QFC Credit Support” and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered

Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

**SECTION 10.18. Existing Credit Agreement.** (a) The Lenders which are parties to the Existing Credit Agreement (which Lenders constitute the “Required Lenders” as defined in the Existing Credit Agreement) hereby (i) waive the requirement, set forth in Section 2.07(c) of the Existing Credit Agreement, that the Parent Borrower give not less than two Business Days’ notice of any termination of the Commitments (as defined therein), (ii) acknowledge and agree that, for purposes of determining the total “Revolving Credit Exposures” (as defined therein) that would be outstanding thereunder on the date of such termination, the letters of credit issued thereunder that are listed on Schedule 2.04 hereof shall (as a result of the operation of the antepenultimate sentence of Section 2.04(a) of this Agreement, which provides that on the Effective Date such letters of credit shall be deemed to be “Letters of Credit” issued hereunder) on the Effective Date be deemed no longer outstanding under the Existing Credit Agreement and (iii) pursuant to Section 9.02 of the Existing Credit Agreement, consent to the execution and delivery by JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent (under and as defined in the Existing Credit Agreement) for and on behalf of the Lenders (under and as defined in the Existing Credit Agreement), of this Agreement to evidence or effectuate (as set forth in Section 10.02(b)) the waivers and agreements set forth in clauses (i) and (ii) above.

(b) JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent as defined in the Existing Credit Agreement hereby (i) waives, for and on behalf of the Lenders (as defined therein), the requirement, set forth in Section 2.07(c) of the Existing Credit Agreement, that the Parent Borrower give not less than two Business Days’ notice of any termination of the Commitments (as defined therein) and (ii) acknowledges and agrees, for and on behalf of the Lenders (as defined therein), that for purposes of determining the total “Revolving Credit Exposures” (as defined therein) that would be outstanding thereunder on the date of such termination, the letters of credit issued thereunder that are listed on Schedule 2.04 hereof shall on the Effective Date be deemed no longer outstanding under the Existing Credit Agreement.

(c) Upon the Effective Date, the Existing Credit Agreement shall be terminated.

[Remainder of Page Intentionally Left Blank;  
Signatures Follow]

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

RALPH LAUREN CORPORATION

By: /s/ Jane Hamilton Nielsen  
Name: Jane Hamilton Nielsen  
Title: Chief Financial Officer and Chief Operating Officer

RL FINANCE B.V.

By: /s/ Agnieszka Gradek  
Name: Agnieszka Gradek  
Title: Managing Director

RALPH LAUREN EUROPE SÀRL

By: /s/ Robert Alexander  
Name: Robert Alexander  
Title: Managing Officer (Gérant)

RALPH LAUREN ASIA PACIFIC LIMITED

By: /s/ Shih Jern Liang  
Name: Shih Jern Liang  
Title: Director

[Signature Page to Credit Agreement (Ralph Lauren Corporation)]

JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent and as a Lender

By: /s/ Gregory Martin  
Name: Gregory Martin  
Title: Executive Director

[Signature Page to Credit Agreement (Ralph Lauren Corporation)]

**SUBSIDIARIES OF THE COMPANY**

<b>Entity Name</b>	<b>Jurisdiction of Formation</b>
3253042 Nova Scotia Company (f/k/a Ralph Lauren Canada Corporation)	Canada
Acqui Polo CV	Netherlands
Acqui Polo GP, LLC	Delaware
Acqui Polo SAS	France
Fashion Development Corp.	Delaware
Mountain Rose (USA), LLC	Delaware
Polo Jeans Company, LLC	Delaware
Polo Players, Ltd	Delaware
Poloco USA, Inc	Delaware
PRL CMI, LLC	Delaware
PRL Delaware, LLC	Delaware
PRL Fashions Inc.	Delaware
PRL Hotel Company LLC	Delaware
PRL International, Inc.	Delaware
PRL Netherlands Limited, LLC	Delaware
PRL S.R.L.	Argentina
PRL USA Holdings, Inc.	Delaware
PRL USA, Inc.	Delaware
Ralph Lauren Americas, S.A.	Panama
Ralph Lauren Apparel Prague s.r.o.	Czech Republic
Ralph Lauren Asia Holding Company Limited (f/k/a Polo Ralph Lauren Asia Holding Company Limited)	Hong Kong
Ralph Lauren Asia Pacific Limited (f/k/a Polo Ralph Lauren Asia Pacific, Limited)	Hong Kong
Ralph Lauren Australia Pty Ltd (f/k/a PRL Australia Pty Ltd)	Australia
Ralph Lauren Austria GmbH (f/k/a PRL Textil GmbH)	Austria
Ralph Lauren Aviation, LLC (f/k/a Polo Ralph Lauren Aviation, LLC)	Delaware
Ralph Lauren Belgium S.p.r.l. (f/k/a Poloco Belgium S.p.r.l.)	Belgium
Ralph Lauren Brasil, Licenciamento, Locações e Participações Ltda.	Brazil
Ralph Lauren Canada Corporation	Canada
Ralph Lauren Canada LP	Canada
Ralph Lauren Commercial Enterprises ULC	Ireland
Ralph Lauren Company West, LLC	Delaware
Ralph Lauren Corporation	Delaware
Ralph Lauren Denmark ApS (f/k/a Polo Ralph Lauren Denmark ApS)	Denmark
Ralph Lauren Espana SL (f/k/a Poloco Espana SL)	Spain
Ralph Lauren Europe Sàrl (f/k/a Polo Ralph Lauren Europe Sàrl)	Switzerland
Ralph Lauren Footwear Co., Inc.	Massachusetts
Ralph Lauren France S.A.S. (f/k/a Poloco S.A.S.)	France
Ralph Lauren Germany GmbH (f/k/a Polo Moden GmbH)	Germany
Ralph Lauren Holding BV (f/k/a Polo Hold BV)	Netherlands
Ralph Lauren Home Collection Showroom, LLC (f/k/a Polo Ralph Lauren Home Collection Showroom, LLC)	Delaware
Ralph Lauren Home Collection, Inc.	Delaware

<b>Entity Name</b>	<b>Jurisdiction of Formation</b>
Ralph Lauren (Hong Kong) Retail Company Limited (f/k/a Polo Ralph Lauren (Hong Kong) Retail Company Limited)	Hong Kong
Ralph Lauren (Hong Kong) Retail Company Limited Taiwan Branch (f/k/a Polo Ralph Lauren (Hong Kong) Retail Company Limited Taiwan Branch)	Taiwan
Ralph Lauren Import and Export (Shanghai) Company Limited	China
Ralph Lauren International Holdings ULC	Ireland
Ralph Lauren Ireland Limited	Ireland
Ralph Lauren Japan G.K. (f/k/a Ralph Lauren Corporation Japan)	Japan
Ralph Lauren Jeans Company, LLC	Delaware
Ralph Lauren Korea Ltd. (f/k/a Polo Ralph Lauren Korea Ltd)	Korea
Ralph Lauren Latin American Services, S. de R.L.	Panama
Ralph Lauren Lifestyle Concepts (NY) LLC	New York
Ralph Lauren Lifestyle Concepts LLC	Delaware
Ralph Lauren London Ltd	United Kingdom
Ralph Lauren (Macau) Limited (f/k/a Polo Ralph Lauren (Macau) Limited)	Macau
Ralph Lauren Mağazacılık ve Ticaret Limited Sirketi	Turkey
Ralph Lauren (Malaysia) Sdn Bhd (f/k/a Polo Ralph Lauren (Malaysia) Sdn Bhd)	Malaysia
Ralph Lauren Management Services, LLC	Delaware
Ralph Lauren Media, LLC	Delaware
Ralph Lauren Netherlands BV (f/k/a Poloco Netherlands BV)	Netherlands
Ralph Lauren New Zealand Limited	New Zealand
Ralph Lauren Poland Sp. z.o.o.	Poland
Ralph Lauren Portugal, Unipessoal LDA (f/k/a PRL Portugal, Unipessoal LDA)	Portugal
Ralph Lauren Retail, Inc.	Delaware
Ralph Lauren Saint Barth S.A.S. (f/k/a Polo Ralph Lauren S.A.S. (St. Barthelemy)	France
Ralph Lauren Scandinavia AB (f/k/a Poloco Scandinavia AB)	Sweden
Ralph Lauren (Singapore) Private Limited (f/k/a Polo Ralph Lauren (Singapore) Private Limited)	Singapore
Ralph Lauren Sourcing Americas, LLC (f/k/a Polo Ralph Lauren Sourcing Americas, LLC)	Delaware
Ralph Lauren Sourcing Company, Ltd (f/k/a Polo Ralph Lauren Sourcing Company, Ltd)	Hong Kong
Ralph Lauren Sourcing Italy S.r.l.	Italy
Ralph Lauren Switzerland Sagl	Switzerland
Ralph Lauren Trading (Dongguan) Company Ltd	China
Ralph Lauren Trading (Dongguan) Company Ltd, Shanghai Huangpu Branch	China
Ralph Lauren Trading (Shanghai) Co., Ltd (f/k/a Polo Ralph Lauren Trading (Shanghai) Co., Ltd)	China
Ralph Lauren UK Ltd. (f/k/a Polo UK Ltd.)	United Kingdom
Ralph Lauren Vietnam Limited Liability Company	Vietnam
Ralph Lauren Vietnam Limited Liability Company, Ho Chi Minh City Branch	Vietnam
Ralph Lauren Womenswear, LLC	Delaware
RL Acqui Holding GP, Sàrl	Luxembourg
RL CV Holding Limited, Sàrl	Luxembourg
RL Delaware, LLC	Delaware
RL Fashions of Europe S.r.l. (f/k/a PRL Fashions of Europe S.r.l.)	Italy
RL Finance BV (f/k/a Polo Fin BV)	Netherlands
RL Fragrances, LLC	Delaware
RL Hellas Resorts EPE	Greece
RL International Assignments, Inc. (f/k/a Polo International Assignments Service Corp.)	Delaware

<b>Entity Name</b>	<b>Jurisdiction of Formation</b>
RL Retail Services Limited (f/k/a Polo Retail Europe Limited)	United Kingdom
RL Services Srl (f/k/a PRL Sample Development Center Srl)	Italy
RL Sourcing Bangladesh Limited	Bangladesh
RL Sourcing Bangladesh Private Limited	Bangladesh
RL Sourcing India LLP	India
RL Travel, Inc	Delaware
RLPR, Inc.	Delaware
RLWW, LLC	Delaware
Rodeo Girl Productions, Inc.	New York
Sun Apparel, LLC	Delaware
The Polo/Lauren Company LP	New York
The Polo/Lauren Company L.P., Succursale de Plan les Ouates	Switzerland
The Ralph Lauren Womenswear Company, L.P.	Delaware
The RL Trading Company Ltd	United Kingdom
WSH, LLC	Delaware

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the Registration Statements on Form S-8 pertaining to the 1997 Long-Term Stock Incentive Plan (Registration No. 333-46808), Form S-8 pertaining to the 1997 Long-Term Stock Incentive Plan and 1997 Stock Option Plan for Non-Employee Directors (Registration No. 333-29023), Form S-8 pertaining to the 2010 Long-Term Stock Incentive Plan (Registration No. 333-169619), Form S-8 pertaining to the Amended and Restated 2010 Long-Term Stock Incentive Plan (Registration No. 333-191338), and Form S-8 pertaining to the 2019 Long-Term Stock Incentive Plan (Registration Nos. 333-213431 and 333-232956) by Ralph Lauren Corporation, of our reports dated May 24, 2022, with respect to the consolidated financial statements of Ralph Lauren Corporation and the effectiveness of internal control over financial reporting of Ralph Lauren Corporation included in this Annual Report (Form 10-K) for the year ended April 2, 2022.

/s/ Ernst & Young LLP

New York, NY  
May 24, 2022

**CERTIFICATION**

I, Patrice Louvet, certify that:

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

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/s/ PATRICE LOUVET

Patrice Louvet

*President and Chief Executive Officer  
(Principal Executive Officer)*

Date: May 24, 2022

**CERTIFICATION**

I, Jane Hamilton Nielsen, certify that:

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

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/s/ JANE HAMILTON NIELSEN

Jane Hamilton Nielsen

*Chief Operating Officer and Chief Financial Officer  
(Principal Financial and Accounting Officer)*

Date: May 24, 2022

**Certification of Patrice Louvet Pursuant to 18 U.S.C. Section 1350,  
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Ralph Lauren Corporation (the "Company") on Form 10-K for the period ended April 2, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Patrice Louvet, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ PATRICE LOUVET

Patrice Louvet

Date: May 24, 2022

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Ralph Lauren Corporation and will be retained by Ralph Lauren Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of Jane Hamilton Nielsen Pursuant to 18 U.S.C. Section 1350,  
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Ralph Lauren Corporation (the "Company") on Form 10-K for the period ended April 2, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jane Hamilton Nielsen, Chief Operating Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

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/s/ JANE HAMILTON NIELSEN

Jane Hamilton Nielsen

Date: May 24, 2022

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Ralph Lauren Corporation and will be retained by Ralph Lauren Corporation and furnished to the Securities and Exchange Commission or its staff upon request.