

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

FORM 8-K

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

Date of report (Date of earliest event reported): August 11, 2021

Crown Crafts, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

001-7604

(Commission File Number)

58-0678148

(IRS Employer
Identification No.)

916 South Burnside Avenue, Gonzales, LA

(Address of Principal Executive Offices)

70737

(Zip Code)

Registrant's telephone number, including area code: (225) 647-9100

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	CRWS	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition.

On August 11, 2021, Crown Crafts, Inc. (the "Company") issued a press release announcing its financial results for the first quarter of fiscal year 2022, which ended June 27, 2021. A copy of that press release is attached hereto as Exhibit 99.1.

The information in this Item 2.02 and in Exhibit 99.1 attached hereto is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of such section. The information in this Item 2.02 and in Exhibit 99.1 attached hereto shall not be incorporated by reference into any registration statement or document pursuant to the Securities Act of 1933, as amended.

Item 5.07. Submission of Matters to a Vote of Security Holders.

The 2021 Annual Meeting of Stockholders (the "Annual Meeting") of the Company was held on August 10, 2021 at the Company's executive offices, located at 916 South Burnside Avenue, Third Floor, Gonzales, Louisiana. The following tables reflect the tabulation of the votes with respect to each proposal submitted to a vote of the Company's stockholders at the Annual Meeting.

At the Annual Meeting, the Company's stockholders: (i) elected both Class II director nominees; (ii) ratified the appointment of KPMG LLP as the Company's independent registered public accounting firm; (iii) approved (on an advisory basis) the compensation of the Company's named executive officers; and (iv) approved the Crown Crafts, Inc. 2021 Incentive Plan.

PROPOSAL 1: ELECTION OF DIRECTORS

To elect two Class II directors to the Company's Board of Directors (the "Board") to serve until the Company's Annual Meeting of Stockholders to be held in 2024 and until their successors are elected and qualified or until their earlier death, resignation or removal from office.

<u>Nominee</u>	<u>For</u>	<u>Authority Withheld</u>	<u>Broker Non-Votes</u>
Sidney Kirschner	5,182,071	488,804	2,029,214
Zenon S. Nie	5,384,296	286,579	2,029,214

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the fiscal year ending April 3, 2022.

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
7,485,612	208,842	5,635	0

PROPOSAL 3: APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS

To approve, on an advisory basis, the compensation of the Company's named executive officers.

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
4,593,560	1,020,188	57,127	2,029,214

PROPOSAL 4: APPROVAL OF THE CROWN CRAFTS, INC. 2021 INCENTIVE PLAN

To approve the Crown Crafts, Inc. 2021 Incentive Plan.

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
5,033,387	569,125	68,363	2,029,214

Item 8.01. Other Events.

On August 10, 2021, the Board approved forms of award certificates for awards of restricted stock, incentive stock options and nonstatutory stock options under the Crown Crafts, Inc. 2021 Incentive Plan, which are filed hereto as Exhibits 99.2, 99.3 and 99.4, respectively.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1	Press Release dated August 11, 2021.
99.2	Form of Restricted Stock Award Certificate under the Crown Crafts, Inc. 2021 Incentive Plan (effective August 10, 2021).
99.3	Form of Incentive Stock Option Award Certificate under the Crown Crafts, Inc. 2021 Incentive Plan (effective August 10, 2021).
99.4	Form of Nonstatutory Stock Option Award Certificate under the Crown Crafts, Inc. 2021 Incentive Plan (effective August 10, 2021).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

Date: August 11, 2021

CROWN CRAFTS, INC.

By: /s/ Craig J. Demarest

CRAIG J. DEMAREST

Vice President and Chief Financial Officer



For immediate release

August 11, 2021

Crown Crafts Reports Fiscal 2022 First Quarter Results

- Net sales increased 15.5% for the quarter
- Company's key subsidiaries continue to deliver strong results
- Board declares a quarterly dividend of \$0.08 per share

Gonzales, Louisiana – Crown Crafts, Inc. (NASDAQ-CM: CRWS) (the "Company") today reported results for the first quarter of fiscal year 2022, which ended June 27, 2021.

"Once again, our entire organization worked together to deliver outstanding results for the first quarter," said E. Randall Chestnut, Chairman and Chief Executive Officer. "This is a reflection of the ongoing strength of our wholly-owned subsidiaries, NoJo Baby & Kids, Inc. and Sassy Baby, Inc., which continue to offer a wide range of high-quality products and designs that are popular with consumers."

"Our strong momentum at the end of fiscal 2021 carried into the first quarter of the new fiscal year," said Olivia Elliott, President and Chief Operating Officer. "While two events – the closure of Carousel Designs and the forgiveness of our loan under the federal government's Paycheck Protection Program – also impacted our financial results for the quarter, our key businesses remained strong."

Financial Results

Net income for the first quarter of fiscal 2022 was \$2.7 million, or \$0.27 per diluted share, on net sales of \$18.7 million, compared with net income of \$1.2 million, or \$0.12 per diluted share, on net sales of \$16.2 million for the first quarter of fiscal 2021. Gross profit for the current-year quarter was 24.9% of net sales, down from 31.0% of net sales in the prior-year quarter.

Current-year net income was impacted favorably by a pre- and post-tax \$1,985,000 gain on extinguishment of debt related to the forgiveness of the Company's Paycheck Protection Program Loan (the "PPP Loan"). The current-year quarter also included net sales and a net loss of \$631,000 and \$802,000, respectively, associated with the Carousel Designs business, which ceased operations in May 2021. The prior-year quarter included net sales and a net loss of \$1.5 million and \$25,000, respectively, associated with Carousel.

Excluding the impact of the PPP Loan and Carousel from both quarters, current-year net sales, gross margin percentage, net income and diluted earnings per share would have been \$18.1 million, 29.3%, \$1.5 million and \$0.15, respectively, compared to prior-year net sales, gross margin percentage, net income and diluted earnings per share of \$14.7 million, 30.2%, \$1.2 million and \$0.12, respectively.

Quarterly Cash Dividend

The Company also announced that its Board of Directors declared a quarterly cash dividend on the Company's Series A common stock of \$0.08 per share, which will be paid on October 1, 2021, to stockholders of record at the close of business on September 10, 2021. "We are pleased that the financial strength of the Company allows us to pay this dividend as part of our long-term commitment to provide value to stockholders," Chestnut said.

Conference Call

The Company will host a teleconference today at 1:00 p.m. Central Daylight Time to discuss the Company's results, during which interested individuals will be given the opportunity to ask appropriate questions. To join the teleconference, dial (844) 861-5504 and ask to be joined into the Crown Crafts, Inc. call. The teleconference can also be accessed in listen-only mode by visiting the Company's website at www.crowncrafts.com. The financial information to be discussed during the teleconference may be accessed prior to the call on the investor relations portion of the Company's website. A telephone replay of the teleconference will be available one hour after the end of the call through 4:00 p.m. Central Standard Time on November 11, 2021. To access the replay, dial (877) 344-7529 in the United States or (412) 317-0088 from international locations and refer to conference number 10159433.

About Crown Crafts, Inc.

Crown Crafts, Inc. designs, markets and distributes infant, toddler and juvenile consumer products. Founded in 1957, Crown Crafts is one of America's largest producers of infant bedding, toddler bedding, bibs and developmental toys. The Company operates through its two wholly-owned subsidiaries, NoJo Baby & Kids, Inc. and Sassy Baby, Inc., which market a variety of infant, toddler and juvenile products under Company-owned trademarks, as well as licensed collections and exclusive private label programs. Sales are made directly to retailers such as mass merchants, large chain stores and juvenile specialty stores. For more information, visit the Company's website at www.crowncrafts.com.

The foregoing contains forward-looking statements within the meaning of the Securities Act of 1933, the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Such statements are based upon management's current expectations, projections, estimates and assumptions. Words such as "expects," "believes," "anticipates" and variations of such words and similar expressions identify such forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause future results to differ materially from those suggested by the forward-looking statements. These risks include, among others, general economic conditions, including changes in interest rates, in the overall level of consumer spending and in the price of oil, cotton and other raw materials used in the Company's products, changing competition, changes in the retail environment, the Company's ability to successfully integrate newly acquired businesses, the level and pricing of future orders from the Company's customers, the extent to which the Company's business is concentrated in a small number of customers, the Company's dependence upon third-party suppliers, including some located in foreign countries, customer acceptance of both new designs and newly-introduced product lines, actions of competitors that may impact the Company's business, disruptions to transportation systems or shipping lanes used by the Company or its suppliers, and the Company's dependence upon licenses from third parties. Reference is also made to the Company's periodic filings with the Securities and Exchange Commission for additional factors that may impact the Company's results of operations and financial condition. The Company does not undertake to update the forward-looking statements contained herein to conform to actual results or changes in our expectations, whether as a result of new information, future events or otherwise.

Contact:

Craig J. Demarest
Vice President and Chief Financial Officer
(225) 647-9118
cdemarest@crowncrafts.com

CROWN CRAFTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
SELECTED FINANCIAL DATA
In thousands, except percentages and per share data
(Unaudited)

	Three-Month Periods Ended	
	June 27, 2021	June 28, 2020
Net sales	\$ 18,712	\$ 16,205
Gross profit	4,656	5,023
Gross profit percentage	24.9%	31.0%
Income from operations	1,290	1,643
Gain on extinguishment of debt	1,985	-
Income before income tax expense	3,274	1,640
Income tax expense	609	425
Net income	2,665	1,215
Basic and diluted earnings per share	\$ 0.27	\$ 0.12
Weighted Average Shares Outstanding:		
Basic	10,004	10,171
Diluted	10,056	10,171

CONSOLIDATED BALANCE SHEETS
SELECTED FINANCIAL DATA
In thousands

	June 27, 2021	March 28, 2021
	(Unaudited)	
Cash and cash equivalents	\$ 4,702	\$ 613
Accounts receivable, net of allowances	17,470	19,338
Inventories	21,955	20,335
Total current assets	45,084	41,470
Operating lease right of use assets	3,660	4,068
Finite-lived intangible assets - net	3,034	3,163
Goodwill	7,125	7,125
Total assets	\$ 61,277	\$ 58,082
Total current liabilities	14,595	12,946
Operating lease liabilities, noncurrent	2,189	2,641
Shareholders' equity	43,826	41,865
Total liabilities and shareholders' equity	\$ 61,277	\$ 58,082

CROWN CRAFTS, INC.

RESTRICTED STOCK AWARD CERTIFICATE

(Pursuant to the Crown Crafts, Inc. 2021 Incentive Plan)

THIS RESTRICTED STOCK AWARD CERTIFICATE (this "Certificate") is made and entered into as of Grant Date listed below, by and between Crown Crafts, Inc., a Delaware corporation (the "Company"), and the individual listed below (the "Participant").

Participant:

Grant Date:

Number of Shares of the Company's Series A Common Stock, Par Value \$0.01 Per Share:

1. **Grant.** The Company hereby grants to the Participant an Award of Restricted Stock consisting of the number of shares of the Company's Series A common stock, par value \$0.01 per share (the "Common Stock"), listed above (the "Shares"), pursuant to and subject to the provisions of the Crown Crafts, Inc. 2021 Incentive Plan (the "Plan") and to the terms and conditions set forth in this Certificate. Capitalized terms used in this Certificate and not otherwise defined in this Certificate shall have the meanings assigned to such terms in the Plan.
2. **Restrictions.** The Shares are subject to the restrictions set forth in this Section 2. "Restricted Shares" mean those Shares that are subject to the restrictions imposed hereunder which restrictions have not then expired or terminated. Restricted Shares may not be sold, transferred, exchanged, assigned, pledged, hypothecated or otherwise encumbered to or in favor of any person, or be subjected to any lien, obligation or liability of the Participant to any other person. If the Participant's Continuous Service is terminated for any reason other than as set forth in Section 3(b) of this Certificate, then the Participant shall forfeit all of the Participant's right, title and interest in and to the Restricted Shares as of the date of such termination, and such Restricted Shares shall revert to the Company immediately following the event of forfeiture. The restrictions imposed under this Section 2 shall apply to all Shares or other securities issued with respect to Restricted Shares hereunder in connection with any merger, reorganization, consolidation, recapitalization, stock dividend or other change in corporate structure affecting the Shares.
3. **Vesting and Termination of Restrictions.** The Restricted Shares will vest (and become non-forfeitable) and the restrictions imposed under Section 2 of this Certificate will lapse on the earliest to occur of the following (the period prior to the time Restricted Shares vest and lapse being referred to herein as the "Restricted Period"):
 - (a) As to % of the Restricted Shares on [each of] ([each, a] [the] "Vesting Date"), provided the Participant has remained in Continuous Service through the [applicable] Vesting Date; and
 - (b) As to 100% of the Restricted Shares upon the termination of the Participant's Continuous Service by reason of the Participant's death or Disability.In addition, in the event a Change in Control occurs, the Restricted Shares will vest (and become non-forfeitable), and the restrictions imposed under Section 2 of this Certificate will lapse, in accordance with and to the extent provided in Section 13.8 of the Plan.
4. **Delivery of Shares.** The Shares shall be delivered to the Participant as of the Grant Date either by book-entry registration or by delivering to the Participant, or a custodian or escrow agent (including, without limitation, the Company or one or more of its employees) designated by the Committee, a stock certificate or stock certificates registered in the name of the Participant. If stock certificates representing Restricted Shares are registered in the name of the Participant, then such stock certificates will bear an appropriate legend, as determined by the Committee, referring to the terms, conditions, and restrictions applicable to the Restricted Shares. Stock certificates for the Shares, without such legend, shall be delivered to the Participant or the Participant's designee upon request of the Participant after the expiration of the Restricted Period.
5. **Voting Rights.** The Participant, as beneficial owner of the Shares, shall have full voting rights with respect to the Shares during and after the Restricted Period, unless and until forfeited pursuant to this Certificate.
6. **Dividend Rights.** The Participant shall accrue cash and non-cash dividends, if any, paid with respect to the Restricted Shares, but the payment of such dividends shall be deferred and held (without interest) by the Company for the account of the Participant until the expiration of the Restricted Period. During the Restricted Period, such dividends shall be subject to the same vesting restrictions imposed under Section 2 of this Certificate as the Restricted Shares to which they relate. Accrued dividends deferred and held pursuant to the foregoing provision shall be paid by the Company to the Participant promptly upon the lapse of the Restricted Period. Dividends accrued on the Restricted Shares before they are vested shall be credited by the Company to an account for the Participant and accumulated (without interest) until the date upon which the Restricted Shares become vested, and any dividends accrued with respect to forfeited Restricted Shares will be reconveyed to the Company without further consideration or any act or action by the Participant. In no event shall dividends be paid or distributed until the vesting restrictions imposed under Section 2 of this Certificate lapse.
7. **Taxes.**
 - (a) The Participant shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation payable to the Participant, the amount of any required withholding taxes in respect of the Shares and to take all such other action as the Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. In the discretion of the Committee, the Participant instead may satisfy any federal, state or local tax withholding obligation by any of the following means, or by a combination of such means: (i) tendering a cash payment; (ii) authorizing the Company to withhold Shares otherwise issuable or deliverable under this Certificate (or to allow the return of Shares) having a Fair Market Value equal to the amount required to be withheld; *provided, however*, that no Shares shall be withheld with a value exceeding the amount of tax calculated by using the maximum statutory rates in the applicable jurisdictions; or (iii) delivering to the Company previously owned and unencumbered shares of Common Stock with a Fair Market Value equal to the aggregate amount of taxes to be withheld.
 - (b) Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax or other tax-related withholding ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility, and the Company: (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant or vesting of the Restricted Shares or the subsequent sale of any shares; and (ii) does not commit to structure the Award evidenced by this Certificate to reduce or eliminate the Participant's liability for Tax-Related Items.
 - (c) The Participant may make an election under Section 83(b) of the Code (a "Section 83(b) Election") with respect to the Award evidenced by this Certificate. Any such election must be made within thirty days after the Grant Date. If the Participant elects to make a Section 83(b) Election, then the Participant shall provide the Company with a copy of an executed version and satisfactory evidence of the filing of the executed Section 83(b) Election with the Internal Revenue Service. The Participant agrees to assume full responsibility for ensuring that any such Section 83(b) Election is actually and timely filed with the Internal Revenue Service and for all tax consequences resulting from the Section 83(b) Election.
8. **Compliance with Law.** The issuance and transfer of Shares shall be subject to compliance by the Company and the Participant with all applicable requirements of federal and state securities laws and with all applicable requirements of any securities exchange on which the Shares may be listed. No Shares shall be issued or transferred unless and until any then applicable requirements of state and federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Participant understands that the Company is under no obligation to register the Shares with the Securities and Exchange Commission, any state securities commission or any securities exchange to effect such compliance.
9. **No Right of Continued Service** Nothing in this Certificate shall interfere with or limit in any way the right of the Company or any Affiliate to terminate the Participant's employment or service at any time, nor confer upon the Participant any right to continue in the employ or service of the Company or any Affiliate.

10. **Participant Acceptance.** By signing below, the Participant agrees to be bound by the terms and conditions of the Plan and this Certificate and accepts the Shares as of the Grant Date. The Participant understands, agrees and accepts that the Committee's interpretation of the Plan, the Award of Restricted Stock evidenced by this Certificate and this Certificate, and all decisions and determinations by the Committee with respect to the foregoing, are final, binding, and conclusive on the Participant. The Participant acknowledges delivery of the Plan and the Plan prospectus together with this Certificate.

11.

Severability. If any one or more of the provisions contained in this Certificate are invalid, illegal or unenforceable, the other provisions of this Certificate will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included.

12. **Clawback.** The Shares shall be subject to any compensation recoupment policy that the Committee may adopt from time to time that is applicable by its terms to the Participant.

13. **Plan Controls.** The terms contained in the Plan are incorporated into and made a part of this Certificate and this Certificate shall be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Certificate, the provisions of the Plan shall be controlling and determinative.

14. **Successors and Assigns.** The Company may assign any of its rights under this Certificate. This Certificate will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Certificate and the Plan, this Certificate will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the person(s) to whom the Shares may be transferred by will or the laws of descent or distribution.

15. **Notice.** Any notice to the Company provided for in this Certificate will be addressed to the Company in care of the Company's Corporate Secretary at the Company's corporate headquarters, and any notice to the Participant will be addressed to the Participant at the current address shown on the records of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice will be delivered by hand, sent by facsimile or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service or with an overnight courier.

16. **Counterparts: Electronic Signature.** This Certificate may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same instrument, and any of the parties or signatories hereto may execute this Certificate by signing any such counterpart. Electronic signatures in the form of handwritten signatures on a facsimile transmittal and scanned and digitized images of a handwritten signature (e.g., scanned document in PDF format) shall have the same force and effect as original manual signatures.

[Signatures page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Certificate as of the Grant Date set forth herein.

COMPANY: **PARTICIPANT:**

CROWN CRAFTS, INC.

By:

Name: (Signature)

Title:

(Printed Name)

CROWN CRAFTS, INC.

INCENTIVE STOCK OPTION AWARD CERTIFICATE

(Pursuant to the Crown Crafts, Inc. 2021 Incentive Plan)

THIS INCENTIVE STOCK OPTION AWARD CERTIFICATE (this "Certificate") is made and entered into as of the Grant Date listed below, by and between Crown Crafts, Inc., a Delaware corporation (the "Company"), and the individual listed below (the "Participant").

Participant:	Grant Date:
Number of Shares of the Company's Series A Common Stock, Par Value \$0.01 Per Share:	
Exercise Price Per Share: (the "Exercise Price")	
Expiration Date:	

1. **Grant.**

(a) The Company hereby grants to the Participant an Award of an Incentive Stock Option (the "Option") to purchase the number of shares of the Company's Series A common stock, par value \$0.01 per share (the "Common Stock"), listed above, at the Exercise Price set forth above, pursuant to and subject to the provisions of the Crown Crafts, Inc. 2021 Incentive Plan (the "Plan") and to the terms and conditions set forth in this Certificate. Capitalized terms used in this Certificate and not otherwise defined in this Certificate shall have the meanings assigned to such terms in the Plan.

(b) The grant of the Option is made in consideration of the services to be rendered by the Participant to the Company.

(c) The Option is intended to be an Incentive Stock Option within the meaning of Section 422 of the Code, although the Company makes no representation or guarantee that the Option will qualify as an Incentive Stock Option. To the extent that the aggregate Fair Market Value (determined on the Grant Date) of the shares of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and its Affiliates) exceeds \$100,000, the Option or portions thereof which exceeds such limit (according to the order in which they were granted) shall be treated as Nonstatutory Stock Options.

2. **Vesting and Exercisability.**

(a) The Option will become vested and exercisable with respect to _____ shares of Common Stock on [each of] _____ ([each, a] [the] **Vesting Date**"), provided the Participant has remained in Continuous Service through the [applicable] Vesting Date.

(b) In the event of the termination of the Participant's Continuous Service by reason of the Participant's death or Disability, the Option will automatically accelerate and become fully vested and exercisable upon such death or Disability.

(c) In the event a Change in Control occurs, the Option will become exercisable in accordance with, and to the extent provided in, Section 13.8 of the Plan.

(d) The exercisability of the Option is cumulative, but shall not exceed 100% of the shares of Common Stock subject to the Option.

(e) If the exercisability and vesting schedule set forth in this Section 2 of this Certificate would produce fractional shares, then the number of shares of Common Stock for which the Option becomes exercisable shall be rounded down to the nearest whole share.

3. **Term of Option.**

(a) The Option will have a term of _____ from the Grant Date and will terminate at the expiration of that period, unless it is terminated at an earlier date pursuant to the provisions of this Certificate or the Plan.

(b) The Option will automatically terminate, and no longer be exercisable with respect to any vested portion thereof, upon the happening of the first to occur of the following events:

(i) the expiration of the three-month period after the termination of the Participant's Continuous Service, if such termination is for any reason other than death or Disability (unless the Participant's death occurs within such three-month period);

(ii) the expiration of the one-year period after the Participant's death; and

(iii) the expiration of the one-year period after the Participant's Disability if the Participant's termination of Continuous Service was by reason of such Disability.

(c) Notwithstanding the foregoing, in no event may the Option be exercised after the date immediately preceding the tenth anniversary of the Grant Date.

(d) Any portion of the Option that is not vested and exercisable immediately prior to, or that does not become vested and exercisable upon, the termination of the Participant's Continuous Service will immediately terminate at such time.

4. **Exercise Procedures.**

(a) Subject to the provisions of Sections 2 and 3 of this Certificate, the Participant may exercise part or all of the exercisable Option by giving the Company written notice of intent to exercise in a form prescribed by the Committee or satisfying such other procedures as shall be set forth by the Committee from time to time, specifying the number of shares of Common Stock as to which the Option is to be exercised. At the time of the Participant's delivery of such notice or such other time as the Committee shall determine, the Participant shall pay the aggregate Exercise Price for that number of shares of Common Stock for which the Option is being exercised in whole or in part, in the form of: (i) cash or cash equivalents; (ii) delivery (by either actual delivery or attestation) of previously-acquired shares of Common Stock based on the Fair Market Value of the shares of Common Stock on the date the Option is exercised; (iii) withholding of shares of Common Stock from the Option based on the Fair Market Value of the shares on the date the Option is exercised; (iv) broker-assisted market sales; or (v) any other "cashless exercise" arrangement.

(b) Promptly after receipt of a notice of exercise and full payment of the Exercise Price for the shares of Common Stock being acquired, the Company shall issue and deliver to the Participant (or other person validly exercising the Option) a stock certificate or stock certificates representing the shares of Common Stock being purchased, or evidence of the issuance of such shares in book-entry form, registered in the name of the Participant (or such other person), or, upon request, in the name of the Participant (or such other person) and in the name of another person in such form of joint ownership as requested by the Participant (or such other person) pursuant to applicable state law.

5. **No Stockholder Rights.** Neither the Participant, nor any person entitled to exercise the Participant's rights in the event of the Participant's death, shall have any of the rights and privileges of a stockholder with respect to the shares of Common Stock subject to the Option until a stock certificate or stock certificates for shares, or evidence of the issuance of such shares in book-entry form, shall have been issued upon the exercise of the Option.

6. **Qualification as an Incentive Stock Option.** It is understood that this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code to the extent permitted under applicable law. Accordingly, the Participant understands that in order to obtain the benefits of an Incentive Stock Option, no sale or other disposition may be made of shares for which Incentive Stock Option treatment is desired within one year following the date of exercise of the Option or within two years from the Grant Date. The Participant understands and agrees that the Company shall not be liable or responsible for any additional tax liability the Participant incurs in the event that the Internal Revenue Service for any reason determines that this Option does not qualify as an Incentive Stock Option within the meaning of the Code.

7. **Disqualifying Disposition.** If the Participant disposes of the shares of Common Stock subject to the Option prior to the expiration of either two years from the Grant Date or one year from the date the shares are transferred to the Participant pursuant to the exercise of the Option, then the Participant shall notify the Company in writing within thirty days after such disposition of the date and terms of such disposition. The Participant also agrees to provide the Company with any information concerning any such dispositions as the Company requires for tax purposes.

8. **Transferability.** Except as the Committee may otherwise permit pursuant to the Plan, the Option is not transferable by the Participant other than to a designated beneficiary upon the Participant's death or by will or the laws of descent and distribution, and is exercisable during the Participant's lifetime only by the Participant. No assignment or transfer of the Option, or the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise (except to a designated beneficiary, upon death, by will or the laws of descent or distribution) will vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Option will terminate and become of no further effect.

9. **Taxes.**

(a) If the Company, in its discretion, determines that it is obligated to withhold any tax in connection with the exercise of the Option, then the Participant must make arrangements satisfactory to the Company to pay or provide for any applicable federal, state and local withholding obligations of the Company. The Participant, subject to consent of the Company (in its discretion), may satisfy any federal, state or local tax withholding obligation relating to the exercise of the Option by any of the following means: (i) tendering a cash payment; (ii) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise of the Option; provided, however, that no shares of Common Stock are withheld with a value exceeding the amount of tax calculated by using the maximum statutory rates in the applicable jurisdictions; or (iii) delivering to the Company previously owned and unencumbered shares of Common Stock with a Fair Market Value equal to the aggregate amount of taxes to be withheld. The Company also has the right to withhold from any compensation paid to the Participant.

(b) Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("**Tax-Related Items**"), the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and the Company: (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or exercise of the Option or the subsequent sale of any shares acquired on exercise; and (ii) does not commit to structure the Option to reduce or eliminate the Participant's liability for Tax-Related Items.

10. **Compliance with Law.** The exercise of the Option, and the issuance and transfer of shares of Common Stock subject to the Option, shall be subject to compliance by the Company and the Participant with all applicable requirements of federal and state securities laws and with all applicable requirements of any securities exchange on which the shares of Common Stock may be listed. No shares of Common Stock shall be issued pursuant to the Option unless and until any then applicable requirements of state or federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Participant understands that the Company is under no obligation to register the shares with the Securities and Exchange Commission, any state securities commission or any securities exchange to effect such compliance.

11. **No Right of Continued Service.** Nothing in this Certificate shall interfere with or limit in any way the right of the Company or any Affiliate to terminate the Participant's employment or service at any time, nor confer upon the Participant any right to continue in the employ or service of the Company or any Affiliate.

12. **Participant Acceptance.** By signing below, the Participant agrees to be bound by the terms and conditions of the Plan and this Certificate and accepts the Option as of the Grant Date. The Participant understands, agrees and accepts that the Committee's interpretation of the Plan, the Award of the Option evidenced by this Certificate and this Certificate, and all decisions and determinations by the Committee with respect to the foregoing, are final, binding, and conclusive on the Participant. The Participant acknowledges delivery of the Plan and the Plan prospectus together with this Certificate.

13. **Severability.** If any one or more of the provisions contained in this Certificate are invalid, illegal or unenforceable, the other provisions of this Certificate, will be construed and enforced as if the invalid, illegal or unenforceable provision had never been included.

14. **Clawback.** The Option, and the shares of Common Stock subject to the Option, shall be subject to any compensation recoupment policy that the Committee may adopt from time to time that is applicable by its terms to the Participant.

15. **Plan Controls.** The terms contained in the Plan are incorporated into and made a part of this Certificate and this Certificate shall be governed by and construed in accordance with the Plan. In the event of any actual or alleged conflict between the provisions of the Plan and the provisions of this Certificate, the provisions of the Plan shall be controlling and determinative.

16. **Successors and Assigns.** The Company may assign any of its rights under this Certificate. This Certificate will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in this Certificate and the Plan, this Certificate will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the person(s) to whom this Certificate may be transferred by will or the laws of descent or distribution.

17. **Notice.** Any notice to the Company provided for in this Certificate will be addressed to the Company in care of the Company's Corporate Secretary at the Company's corporate headquarters, and any notice to the Participant will be addressed to the Participant at the current address shown on the records of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice will be delivered by hand, sent by facsimile or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service or with an overnight courier.

18. **Counterparts; Electronic Signature.** This Certificate may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same instrument, and any of the parties or signatories hereto may execute this Certificate by signing any such counterpart. Electronic signatures in the form of handwritten signatures on a facsimile transmittal and scanned and digitized images of a handwritten signature (e.g., scanned document in PDF format) shall have the same force and effect as original manual signatures.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Certificate as of the Grant Date set forth herein.

COMPANY: **PARTICIPANT:**

CROWN CRAFTS, INC.

By:

Name: (Signature)

Title:

(Printed Name)

CROWN CRAFTS, INC.

NONSTATUTORY STOCK OPTION AWARD CERTIFICATE

(Pursuant to the Crown Crafts, Inc. 2021 Incentive Plan)

THIS NONSTATUTORY STOCK OPTION AWARD CERTIFICATE (this "Certificate") is made and entered into as of the Grant Date listed below, by and between Crown Crafts, Inc., a Delaware corporation (the "Company"), and the individual listed below (the "Participant").

Participant:	Grant Date:
Number of Shares of the Company's Series A Common Stock, Par Value \$0.01 Per Share:	
Exercise Price Per Share: (the "Exercise Price")	
Expiration Date:	

1. **Grant.**

(a) The Company hereby grants to the Participant an Award of a Nonstatutory Stock Option (the "Option") to purchase the number of shares of the Company's Series A common stock, par value \$0.01 per share (the "Common Stock"), listed above, at the Exercise Price set forth above, pursuant to and subject to the provisions of the Crown Crafts, Inc. 2021 Incentive Plan (the "Plan") and to the terms and conditions set forth in this Certificate. Capitalized terms used in this Certificate and not otherwise defined in this Certificate shall have the meanings assigned to such terms in the Plan.

(b) The grant of the Option is made in consideration of the services to be rendered by the Participant to the Company.

(c) The Option is intended to be a Nonstatutory Stock Option and not an Incentive Stock Option within the meaning of Section 422 of the Code.

2. **Vesting and Exercisability.**

(a) The Option will become vested and exercisable with respect to _____ shares of Common Stock on [each of] _____ ([each, a] [the] "Vesting Date"), provided the Participant has remained in Continuous Service through the [applicable] Vesting Date.

(b) In the event of the termination of the Participant's Continuous Service by reason of the Participant's death or Disability, the Option will automatically accelerate and become fully vested and exercisable upon such death or Disability.

(c) In the event a Change in Control occurs, the Option will become exercisable in accordance with, and to the extent provided in, Section 13.8 of the Plan.

(d) The exercisability of the Option is cumulative, but shall not exceed 100% of the shares of Common Stock subject to the Option.

(e) If the exercisability and vesting schedule set forth in this Section 2 of this Certificate would produce fractional shares, then the number of shares of Common Stock for which the Option becomes exercisable shall be rounded down to the nearest whole share.

3. **Term of Option.**

(a) The Option will have a term of _____ from the Grant Date and will terminate at the expiration of that period, unless it is terminated at an earlier date pursuant to the provisions of this Certificate or the Plan.

(b) The Option will automatically terminate, and no longer be exercisable with respect to any vested portion thereof, upon the happening of the first to occur of the following events:

(i) the expiration of the three-month period after the termination of the Participant's Continuous Service, if such termination is for any reason other than death or Disability (unless the Participant's death occurs within such three-month period);

(ii) the expiration of the one-year period after the Participant's death; and

(iii) the expiration of the one-year period after the Participant's Disability if the Participant's termination of Continuous Service was by reason of such Disability.

(c) Notwithstanding the foregoing, in no event may the Option be exercised after the date immediately preceding the tenth anniversary of the Grant Date.

(d) Any portion of the Option that is not vested and exercisable immediately prior to, or that does not become vested and exercisable upon, the termination of the Participant's Continuous Service will immediately terminate at such time.

4. **Exercise Procedures.**

(a) Subject to the provisions of Sections 2 and 3 of this Certificate, the Participant may exercise part or all of the exercisable Option by giving the Company written notice of intent to exercise in a form prescribed by the Committee or satisfying such other procedures as shall be set forth by the Committee from time to time, specifying the number of shares of Common Stock as to which the Option is to be exercised. At the time of the Participant's delivery of such notice or such other time as the Committee shall determine, the Participant shall pay the aggregate Exercise Price for that number of shares of Common Stock for which the Option is being exercised in whole or in part, in the form of: (i) cash or cash equivalents; (ii) delivery (by either actual delivery or attestation) of previously-acquired shares of Common Stock based on the Fair Market Value of the shares of Common Stock on the date the Option is exercised; (iii) withholding of shares of Common Stock from the Option based on the Fair Market Value of the shares on the date the Option is exercised; (iv) broker-assisted market sales; or (v) any other "cashless exercise" arrangement.

(b) Promptly after receipt of a notice of exercise and full payment of the Exercise Price for the shares of Common Stock being acquired, the Company shall issue and deliver to the Participant (or other person validly exercising the Option) a stock certificate or stock certificates representing the shares of Common Stock being purchased, or evidence of the issuance of such shares in book-entry form, registered in the name of the Participant (or such other person), or, upon request, in the name of the Participant (or such other person) and in the name of another person in such form of joint ownership as requested by the Participant (or such other person) pursuant to applicable state law.

5. **No Stockholder Rights.** Neither the Participant, nor any person entitled to exercise the Participant's rights in the event of the Participant's death, shall have any of the rights and privileges of a stockholder with respect to the shares of Common Stock subject to the Option until a stock certificate or stock certificates for shares, or evidence of the issuance of such shares in book-entry form, shall have been issued upon the exercise of the Option.

6. **Transferability.** Except as the Committee may otherwise permit pursuant to the Plan, the Option is not transferable by the Participant other than to a designated beneficiary upon the Participant's death or by will or the laws of descent and distribution, and is exercisable during the Participant's lifetime only by the Participant. No assignment or transfer of the Option, or the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise (except to a designated beneficiary, upon death, by will or the laws of descent or distribution) will vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Option will terminate and become of no further effect.

7. **Taxes.**

(a) If the Company, in its discretion, determines that it is obligated to withhold any tax in connection with the exercise of the Option, then the Participant must make arrangements satisfactory to the Company to pay or provide for any applicable federal, state and local withholding obligations of the Company. The Participant, subject to consent of the Company (in its discretion), may satisfy any federal, state or local tax withholding obligation relating to the exercise of the Option by any of the following means: (i) tendering a cash payment; (ii) authorizing the Company to withhold shares of Common Stock from the shares of Common Stock otherwise issuable to the Participant as a result of the exercise of the Option; provided, however, that no shares of Common Stock are withheld with a value exceeding the amount of tax calculated by using the maximum statutory rates in the applicable jurisdictions; or (iii) delivering to the Company previously owned and unencumbered shares of Common Stock with a Fair Market Value equal to the aggregate amount of taxes to be withheld. The Company also has the right to withhold from any compensation paid to the Participant.

(b) Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding ("**Tax-Related Items**"), the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and the Company: (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or exercise of the Option or the subsequent sale of any shares acquired on exercise; and (ii) does not commit to structure the Option to reduce or eliminate the Participant's liability for Tax-Related Items.

8. **Compliance with Law.** The exercise of the Option, and the issuance and transfer of shares of Common Stock subject to the Option, shall be subject to compliance by the Company and the Participant with all applicable requirements of federal and state securities laws and with all applicable requirements of any securities exchange on which the shares of Common Stock may be listed. No shares of Common Stock shall be issued pursuant to the Option unless and until any then applicable requirements of state or federal laws and regulatory agencies have been fully complied with to the satisfaction of the Company and its counsel. The Participant understands that the Company is under no obligation to register the shares with the Securities and Exchange Commission, any state securities commission or any securities exchange to effect such compliance.

9. **No Right of Continued Service.** Nothing in this Certificate shall interfere with or limit in any way the right of the Company or any Affiliate to terminate the Participant's employment or service at any time, nor confer upon the Participant any right to continue in the employ or service of the Company or any Affiliate.

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[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Certificate as of the Grant Date set forth herein.

COMPANY: **PARTICIPANT:**

CROWN CRAFTS, INC.

By:

Name: (Signature)

Title:

(Printed Name)