

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

FORM 10-Q

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

For the quarterly period ended June 28, 2026

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

For the transition period from ____ to ____

Commission File No. 1-7604

Crown Crafts, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

58-0678148

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

8184 Highway 44, Suite 111, Gonzales, LA

(Address of principal executive offices)

70737

(Zip Code)

(225) 647-9100

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 (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 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of common stock, \$0.01 par value, of the registrant outstanding as of August 5, 2026 was 10,760,287.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CROWN CRAFTS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
JUNE 28, 2026 AND MARCH 29, 2026
(amounts in thousands, except share and per share amounts)

	June 28, 2026	March 29, 2026
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 194	\$ 200
Accounts receivable - net of allowances of \$1,563 and \$1,521, respectively		
Due from factor	11,557	16,280
Other	2,152	2,579
Inventories	26,792	28,365
Other current assets	4,512	-
Prepaid expenses	2,300	2,176
Total current assets	47,507	49,600
Operating lease right of use assets	9,054	8,956
Property, plant and equipment - net of accumulated depreciation of \$5,490 and \$5,775, respectively	2,008	2,011
Intangible assets - net of accumulated amortization of \$11,114 and \$11,615, respectively	6,088	6,275
Deferred income taxes	3,737	3,657
Other assets	147	154
Total Assets	\$ 68,541	\$ 70,653
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,177	\$ 4,913
Accrued royalties	347	532
Dividends payable	987	952
Operating lease liabilities, current	4,250	4,198
Accrued liabilities	2,093	1,283
Current maturities of long-term debt	1,991	1,991
Total current liabilities	14,845	13,869
Non-current liabilities:		
Long-term debt	7,599	12,132
Operating lease liabilities, noncurrent	5,548	5,529
Reserve for unrecognized tax liabilities	334	310
Total non-current liabilities	13,481	17,971
Shareholders' equity:		
Common stock - \$0.01 par value per share; Authorized 40,000,000 shares at June 28, 2026 and March 29, 2026; Issued 13,674,249 shares at June 28, 2026 and March 29, 2026	137	137
Additional paid-in capital	59,605	59,402
Treasury stock - at cost -2,913,962 shares at June 28, 2026 and March 29, 2026	(15,889)	(15,889)
Accumulated deficit	(3,638)	(4,837)
Total shareholders' equity	40,215	38,813
Total Liabilities and Shareholders' Equity	\$ 68,541	\$ 70,653

See notes to consolidated financial statements.

CROWN CRAFTS, INC. AND SUBSIDIARIES
 UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 THREE-MONTH PERIODS ENDED JUNE 28, 2026 AND JUNE 29, 2025
 (amounts in thousands, except per share amounts)

	June 28, 2026	June 29, 2025
Net sales	\$ 16,766	\$ 15,478
Cost of products sold	8,735	11,960
Gross profit	8,031	3,518
Marketing and administrative expenses	5,232	4,717
Income (loss) from operations	2,799	(1,199)
Other income (expense):		
Interest expense - net of interest income	(190)	(283)
Other income - net	165	99
Income (loss) before income tax expense	2,774	(1,383)
Income tax expense (benefit)	714	(279)
Net income (loss)	<u>\$ 2,060</u>	<u>\$ (1,104)</u>
Weighted average shares outstanding:		
Basic	10,760	10,570
Effect of dilutive securities	-	-
Diluted	10,760	10,570
Earnings (loss) per share - basic and diluted	<u>\$ 0.19</u>	<u>\$ (0.10)</u>

See notes to consolidated financial statements.

CROWN CRAFTS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
THREE-MONTH PERIODS ENDED JUNE 28, 2026 AND JUNE 29, 2025

	Common Shares		Treasury Shares		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Total Shareholders' Equity
	Number of Shares	Amount	Number of Shares	Amount			
	(Dollar amounts in thousands)						
Balances - March 30, 2025	13,478,402	\$ 135	(2,910,859)	\$ (15,880)	\$ 58,637	\$ (3,273)	\$ 39,619
Issuance of shares, net of forfeitures	15,000	-	-	-	-	-	-
Stock-based compensation	-	-	-	-	200	-	200
Net loss	-	-	-	-	-	(1,104)	(1,104)
Dividends declared on common stock - \$0.32 per share, net of forfeitures	-	-	-	-	-	(846)	(846)
Balances - June 29, 2025	<u>13,493,402</u>	<u>\$ 135</u>	<u>(2,910,859)</u>	<u>\$ (15,880)</u>	<u>\$ 58,837</u>	<u>\$ (5,223)</u>	<u>\$ 37,869</u>
Balances - March 29, 2026	13,674,249	\$ 137	(2,913,962)	\$ (15,889)	\$ 59,402	\$ (4,837)	\$ 38,813
Stock-based compensation	-	-	-	-	203	-	203
Net income	-	-	-	-	-	2,060	2,060
Dividends declared on common stock - \$0.32 per share, net of forfeitures	-	-	-	-	-	(861)	(861)
Balances - June 28, 2026	<u>13,674,249</u>	<u>\$ 137</u>	<u>(2,913,962)</u>	<u>\$ (15,889)</u>	<u>\$ 59,605</u>	<u>\$ (3,638)</u>	<u>\$ 40,215</u>

See notes to consolidated financial statements.

CROWN CRAFTS, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE-MONTH PERIODS ENDED JUNE 28, 2026 AND JUNE 29, 2025
(amounts in thousands)

	Three-Month Periods Ended	
	June 28, 2026	June 29, 2025
Operating activities:		
Net income (loss)	\$ 2,060	\$ (1,104)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation of property, plant and equipment	185	198
Amortization of intangibles	187	214
Amortization of debt issuance costs	2	3
Reduction in the carrying amount of right of use assets	991	1,164
Deferred income taxes	(80)	(213)
Reserve for unrecognized tax liabilities	24	8
Stock-based compensation	203	200
Changes in assets and liabilities:		
Accounts receivable	5,150	7,304
Inventories	1,573	(3,772)
Other current assets	(4,512)	-
Prepaid expenses	(124)	235
Other assets	7	2
Lease liabilities	(1,018)	(1,167)
Accounts payable	237	3,119
Accrued liabilities	625	(943)
Net cash provided by operating activities	5,510	5,248
Cash used in investing activities:		
Capital expenditures for property, plant and equipment	(156)	(86)
Net cash used in investing activities	(156)	(86)
Financing activities:		
Repayments under revolving line of credit	(18,817)	(21,000)
Borrowings under revolving line of credit	14,782	16,875
Payments on term loan	(500)	(500)
Dividends paid	(825)	(831)
Net cash used in financing activities	(5,360)	(5,456)
Net decrease in cash and cash equivalents	(6)	(294)
Cash and cash equivalents at beginning of period	200	521
Cash and cash equivalents at end of period	\$ 194	\$ 227
Supplemental cash flow information:		
Income taxes paid	\$ 4	\$ 11
Interest paid	205	306
Noncash activities:		
Property, plant and equipment purchased but unpaid	(27)	(49)
Dividends declared but unpaid	(861)	(890)

See notes to consolidated financial statements.

CROWN CRAFTS, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED JUNE 28, 2026 AND JUNE 29, 2024

Note 1 – Interim Financial Statements

Basis of Presentation: The accompanying unaudited condensed consolidated financial statements include the accounts of Crown Crafts, Inc. and its subsidiaries (the “Company”) and have been prepared pursuant to accounting principles generally accepted in the United States (“GAAP”) applicable to interim financial information as promulgated by the Financial Accounting Standards Board (“FASB”). Accordingly, they do not include all of the information and disclosures required by GAAP for complete financial statements. References herein to GAAP are to topics within the FASB Accounting Standards Codification (the “ASC”), which the FASB periodically revises through the issuance of an Accounting Standards Update (“ASU”) and which has been established by the FASB as the authoritative source for GAAP recognized by the FASB to be applied by nongovernmental entities.

In the opinion of the Company’s management, the unaudited condensed consolidated financial statements contained herein include all adjustments necessary to present fairly the financial position of the Company as of June 28, 2026 and the results of its operations and cash flows for the periods presented. Such adjustments include normal, recurring accruals, as well as the elimination of all significant intercompany balances and transactions. Operating results for the three-month period ended June 28, 2026 are not necessarily indicative of the results that may be expected by the Company for its fiscal year ending March 28, 2027. For further information, refer to the Company’s consolidated financial statements and notes thereto for the fiscal year ended March 29, 2026, included in the Company’s Annual Report on Form 10-K filed with the United States Securities and Exchange Commission (the “SEC”).

Fiscal Year: The Company’s fiscal year ends on the Sunday that is nearest to or on March 31. References herein to “fiscal year 2027” or “2027” represent the 52-week period ending March 28, 2027 and references herein to “fiscal year 2026” or “2026” represent the 52-week period ended March 29, 2026.

Recently-Issued Accounting Standards:

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement – Reporting Comprehensive – Expense Disaggregation Disclosures (Subtopic 220-40) – Disaggregation of Income Statement Expenses* (“ASU No. 2024-03”), the objective of which is to enhance the transparency and usefulness of financial statements by requiring public entities to provide more detailed disclosures about their expenses. The amendments in ASU No. 2024-03 are required to be adopted for annual reporting periods beginning after December 15, 2026, and for interim periods within annual reporting periods beginning after December 15, 2027, and early adoption is permitted. The Company is evaluating the guidance of ASU No. 2024-03 against its existing disclosures related to income statement expenses.

The Company has determined that all other ASUs issued which had become effective as of June 28, 2026, or which will become effective at some future date, are not expected to have a material impact on the Company’s consolidated financial statements.

Note 2 – Segment Reporting

The Company's operations are managed and reported to its Chief Executive Officer, the Company's chief operating decision maker ("CODM"), on a consolidated basis. The Company operates in one principal segment, infant, toddler and juvenile products. These products consist of infant and toddler bedding, diaper bags, bibs, plush, dolls, disposables, toys and feeding products. The CODM assesses performance and allocates resources based on the Company's consolidated statements of operations, which requires the CODM to manage and evaluate the results of the Company in a consolidated manner to drive efficiencies and develop uniform strategies. Segment asset information is not used by the CODM to allocate resources.

As a single reportable segment entity, the Company's segment performance measure is net income. The following table presents information about the Company's reportable segment (in thousands):

	Three-Month Periods Ended	
	June 28, 2026	June 29, 2025
Net sales	\$ 16,766	\$ 15,478
Less:		
Cost of products sold	8,735	11,960
Marketing and administrative expenses	5,232	4,717
Interest expense, net and other	25	184
Income tax expense	714	(279)
Segment net income	\$ 2,060	\$ (1,104)

Included in the profit or loss measure above are the following: depreciation expense and amortization expense were \$85 thousand and \$187 thousand, respectively, for the three-month period ended June 28, 2026 while for the three-month period ended June 29, 2025, depreciation and amortization expenses were \$198 thousand and \$214 thousand, respectively.

Note 3 – Licensing Agreements

The Company has entered into licensing agreements that provide for royalty payments based on a percentage of the sales of products covered by the license agreements, subject to certain minimum guaranteed amounts. Royalty expense is calculated based upon sales at contractual rates under the licensing agreements and any applicable minimum guaranteed amounts. Royalty expense is included in cost of products sold in the accompanying unaudited condensed consolidated statements of operations and amounted to \$1.3 million and \$1.0 million for the three-month period ended June 28, 2026 and June 29, 2025, respectively.

Note 4 – Concentrations

Product Sourcing: Foreign and domestic contract manufacturers produce most of the Company's products, with the largest concentration being in China. The Company makes sourcing decisions on the basis of quality, timeliness of delivery and price, including the impact of ocean freight and duties. Although the Company maintains relationships with a limited number of suppliers, the Company believes that its products may be readily manufactured by several alternative sources in quantities sufficient to meet the Company's requirements.

The Company maintains foreign a representative office located in Shanghai, China, which is responsible for the coordination of production, purchases and shipments, seeking out new vendors and overseeing inspections for social compliance and quality. The Company's management and quality assurance personnel visit the third-party facilities regularly to monitor and audit product quality and to ensure compliance with labor requirements and social and environmental standards. In addition, the Company closely monitors the currency exchange rate. The impact of future fluctuations in the exchange rate or changes in safeguards cannot be predicted with certainty.

For the three-month period ended June 28, 2026, purchases from the Company's three largest suppliers accounted for approximately 17%, 11% and 10% of purchases as compared to 15%, 13% and 11% for the three-month period ended June 29, 2025. To mitigate the risks associated with supplier concentration, the Company engages in ongoing efforts to identify alternative sources of supply, assess supplier reliability and performance, and negotiate favorable contractual terms where feasible. However, there is no assurance that the Company will be successful in reducing its dependence on any single supplier or mitigating the impact of supplier-related risks in the future.

The U.S. government has tariffs on imports from certain countries, including China. During 2025, the U.S. government increased tariffs which increased the cost of the products the Company sources from China and affected shipments from the Company's Chinese-based suppliers. Some of these tariffs, the International Emergency Economic Powers Act ("IEEPA") tariffs, were recently deemed illegal by the U.S. Supreme Court ruling issued on February 20, 2026. The Company incurred approximately \$5.3 million and \$267 thousand of IEEPA tariffs during fiscal year 2026 and 2025, respectively. In April 2026, the U.S. Customs and Border Protection launched the Consolidated Administration and Processing of Entities ("CAPE"), a platform for importers of record to submit IEEPA tariff refund requests. The Company has evaluated its eligibility to submit IEEPA tariff refund requests, is complying with all applicable refund procedures and has submitted its eligible entries. As of June 28, 2026, \$4.7 million of the refunds submitted were accepted by the CAPE system. These accepted claims for the recovery of IEEPA tariffs were deemed probable under the loss recovery model as of June 28, 2026. Of this amount, \$0.2 million was received during the quarter and the remaining \$4.5 million has been recorded as a receivable included within other current assets on the Condensed Consolidated Balance Sheets. The Company recognized a reduction in cost of sales of \$3.7 million within the Condensed Consolidated Statements of Operations. Additionally, \$0.9 million was recorded as a reduction to inventory for tariff costs that remain capitalized within inventory. As of August 5, 2026, the Company has received \$4.6 million in IEEPA refunds. The Company continues to evaluate the impact of the tariffs and its potential refunds on the additional \$0.9 million of refund requests. While significant refunds have been received, some uncertainty remains regarding the ultimate availability, timing, and amount of a full recovery of this amount. The Company will continue to monitor developments and will recognize any additional recovery when realization becomes probable.

Licensed Products: Certain products are manufactured and sold pursuant to licensing agreements for trademarks. Also, many of the designs used by the Company are copyrighted by other parties, including trademark licensors, and are available to the Company through copyright license agreements. The licensing agreements are generally for an initial term of one to three years and may or may not be subject to renewal or extension. Sales of licensed products represented 49% of the Company's gross sales in both the three-month periods ended June 28, 2026 and June 29, 2025, which included 24% and 18% of gross sales in the three-month periods ended June 28, 2026 and June 29, 2026, respectively, under the Company's license agreements with affiliated companies of The Walt Disney Company ("Disney"). The Company's license agreement with Disney expires December 31, 2027, and covers infant and toddler bedding, diaper bags, infant feeding and bath in the United States and Canada, and bibs and disposable products in the United States, Canada and Japan.

Customers: The Company's customers consist principally of mass merchants, large chain stores, mid-tier retailers, juvenile specialty stores, value channel stores, grocery and drug stores, restaurants, internet accounts and wholesale clubs. The Company does not enter into long-term or other purchase agreements with its customers. The table below sets forth those customers that represented more than 10% of the Company's gross sales:

	Three-Month Periods Ended	
	June 28, 2026	June 29, 2025
Walmart Inc.	44%	45%
Amazon.com, Inc.	14%	17%
Target Corporation	10%	11%

Note 5 – Inventories

As of June 28, 2026 and March 29, 2026, the Company's balances of inventory were \$26.8 million and \$28.4 million, respectively.

Note 6 – Property, Plant and Equipment

Net property, plant and equipment consisted of the following (amounts in thousands):

	June 28, 2026	March 29, 2026
Property, plant and equipment - at cost:		
Machinery and equipment	\$ 6,389	\$ 6,697
Leasehold improvements	624	571
Furniture and fixtures	485	518
Property, plant and equipment - gross	7,498	7,786
Less accumulated depreciation	5,490	5,775
Property, plant and equipment - net	\$ 2,008	\$ 2,011

Depreciation expense amounted to \$185 thousand and \$198 thousand for the three-month period ended June 28, 2026 and June 29, 2025, respectively.

Note 7 – Financing Arrangements

Factoring Agreements: To reduce its exposure to credit losses, the Company assigns the majority of its trade accounts receivable to The CIT Group/Commercial Services, Inc. (“CIT”), a subsidiary of First Citizens Bank, pursuant to factoring agreements, which have expiration dates that are coterminous with that of the financing agreement described below. Under the terms of the factoring agreements, CIT remits customer payments to the Company as such payments are received by CIT. As such, the Company does not take advances on the factoring agreements.

CIT bears credit losses with respect to assigned accounts receivable from approved shipments, while the Company bears the responsibility for adjustments from customers related to returns, allowances, claims and discounts. CIT may at any time terminate or limit its approval of shipments to a particular customer. If such a termination or limitation occurs, then the Company either assumes (and may seek to mitigate) the credit risk for shipments to the customer after the date of such termination or limitation or discontinues shipments to the customer. Factoring fees, which are included in marketing and administrative expenses in the accompanying unaudited condensed consolidated statements of operations, were \$77 thousand and \$70 thousand for the three-month periods ended June 28, 2026 and June 29, 2025, respectively.

Credit Facility: The Company’s credit facility includes a revolving line of credit and a term loan of \$8.0 million under a financing agreement with CIT. The Company may borrow up to \$40.0 million under the revolving line of credit, which includes a \$1.5 million sub-limit for letters of credit, bearing interest at prime minus 0.5% or the Secured Overnight Financing Rate (“SOFR”) plus 1.6%, and is secured by a first lien on all assets of the Company. The financing agreement for the revolving line of credit matures on July 19, 2029. On June 28, 2026, the Company had elected to pay interest on balances owed under the revolving line of credit under the SOFR option, which was 5.2%. The financing agreement also provides for the payment by CIT to the Company of interest at prime as of the beginning of the calendar month minus 2.0% on daily negative balances, if any, held at CIT.

At June 28, 2026 and March 29, 2026, the balances on the revolving line of credit were \$5.4 million and \$9.5 million, respectively, there was no letter of credit outstanding and \$11.9 million and \$12.5 million, respectively, was available under the revolving line of credit based on the Company’s eligible accounts receivable and inventory balances. The financing agreement contains usual and customary covenants for agreements of that type, including limitations on other indebtedness, liens, transfers of assets, investments and acquisitions, merger or consolidation transactions, transactions with affiliates, and changes in or amendments to the organizational documents for the Company and its subsidiaries.

On June 23, 2025, the Company and CIT amended the Company’s financing agreement with CIT to: (i) provide that, until the Company’s term loan is paid in full, the Company shall maintain at all times Excess Availability (as defined in the financing agreement) equal to or the greater of (a) the sum of the balance outstanding under the Company’s term loan plus \$1.0 million or (b) \$4.0 million (the “Availability Covenant”); and (ii) reinstate the fixed charge coverage ratio; provided however, that the fixed charge coverage ratio shall not be tested at any fiscal quarter end in which, during the immediately preceding fiscal quarter, the Company at all times has been in compliance with the Availability Covenant. As of June 28, 2026, the Company was in compliance with the Excess Availability requirements.

The balance on the \$8.0 million term loan as of June 28, 2026 was \$4.2 million, including \$2.0 million classified as current. The term loan was issued on July 19, 2024, is payable by the Company in 48 equal monthly installments and bears interest at SOFR plus 2.25% (5.9% at June 28, 2026).

Credit Concentration: The Company’s accounts receivable at June 28, 2026 amounted to \$13.7 million, net of allowances of \$1.6 million. Of this amount, \$11.6 million was due from CIT under the factoring agreements, which represents the maximum loss that the Company could incur if CIT failed completely to perform its obligations under the factoring agreements. The Company’s accounts receivable at March 29, 2026 amounted to \$18.9 million, net of allowances of \$1.5 million. Of this amount, \$16.3 million was due from CIT under the factoring agreements, which represented the maximum loss that the Company could have incurred if CIT had failed completely to perform its obligations under the factoring agreements.

Fair Value: The Company evaluates the fair value of its debt using the three level fair value hierarchy. Fair value should be based on the assumptions market participants would use when pricing the liability and establishes a fair value hierarchy that prioritizes the inputs used to develop those assumptions and measure fair value. The hierarchy requires companies to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs in the fair value hierarchy are as follows:

- Level 1 – Includes the most reliable sources, and includes quoted prices in active markets for identical assets or liabilities.
- Level 2 – Includes observable inputs. Observable inputs include inputs other than quoted prices that are observable for the liability, interest rates and forward rate curves, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the liabilities.
- Level 3 – Includes unobservable inputs and should be used only when observable inputs are unavailable.

The carrying value of financial instruments reported in the accompanying condensed consolidated balance sheets for cash, which is considered Level 1, accounts receivable, accounts payable, accrued expenses and other liabilities, which are all considered Level 2, approximate fair value due to the immediate or short-term nature of these financial instruments.

The following table presents fair value of debt as of June 28, 2026:

	Fair Value	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Term loan	\$ 4,201	\$ -	\$ 4,201	\$ -
Revolving line of credit	5,531	-	5,531	-
Total debt	<u>\$ 9,732</u>	<u>\$ -</u>	<u>\$ 9,732</u>	<u>\$ -</u>

The Company uses a valuation model to determine the fair value of its revolving line of credit and the term loan with CIT. The Company uses a discounted cash flow model to project the future principal and interest payments over the remaining life of the loans. The significant inputs used in the model are observable market data including SOFR Forward Curves.

The aggregate maturities of long-term debt for each of the five years subsequent to June 28, 2026 are: \$1.5 million in fiscal 2027, \$2.2 million in fiscal 2028, \$500 thousand in fiscal 2029, and \$5.4 million in fiscal 2030.

Note 8 –Intangible Assets

Intangible Assets: Our finite-lived intangible assets consist primarily of the fair value of identifiable assets acquired in business combinations. The gross amount, accumulated amortization and net balances of the Company's intangible assets as of June 28, 2026 and March 29, 2026, are as follows (in thousands):

	Gross Amount		Accumulated Amortization		Net Amount	
	June 28, 2026	March 29, 2026	June 28, 2026	March 29, 2026	June 28, 2026	March 29, 2026
Tradename and trademarks	\$ 2,751	\$ 3,217	\$ 1,959	\$ 2,405	\$ 792	\$ 812
Non-compete covenants	-	98	-	98	-	-
Patents	1,601	1,601	1,226	1,212	375	389
Customer relationships	8,051	8,174	7,235	7,292	816	882
Licensing relationships	4,800	4,800	695	608	4,105	4,192
Total intangible assets	<u>\$ 17,203</u>	<u>\$ 17,890</u>	<u>\$ 11,114</u>	<u>\$ 11,615</u>	<u>\$ 6,088</u>	<u>\$ 6,275</u>

Amortization expense, which is included in marketing and administrative expenses in the accompanying unaudited condensed consolidated statements of operations, amounted to \$187 thousand and \$214 thousand for the three-month periods ended June 28, 2026 and June 29, 2025.

Note 9 – Advertising Costs

Advertising expense is included in marketing and administrative expenses in the accompanying unaudited condensed consolidated statements of operations and amounted to \$242 thousand and \$396 thousand for the three-month period ended June 28, 2026 and June 29, 2025.

Note 10 – Income Taxes

The Company's provision for income taxes includes all currently payable federal and state taxes and is based upon the Company's estimated annual effective tax rate ("ETR"). The Company's provisions for income taxes for the three-month periods ended June 28, 2026 and June 29, 2025 are based upon an estimated annual ETR of 24.1% and 22.3%, respectively. The increase in the ETR primarily relates to higher state income taxes in the current period as compared to the prior period. The Company provides for deferred income taxes based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates that will be in effect when the differences are expected to reverse.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING INFORMATION

Certain of the statements made in this Quarterly Report on Form 10-Q (this "Quarterly Report") within this Item 2. and elsewhere, including information incorporated herein by reference to other documents, are "forward-looking statements" within the meaning of, and subject to the protections of, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), 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," "estimates," "predicts," "forecasts," "plans," "projects," "targets," "should," "potential," "continue," "aims," "intends," "may," "will," "could," "would" and variations of such words and similar expressions may 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 the impact of increased U.S. tariffs and any retaliatory measures by impacted exporting countries, the Company's ability to mitigate the impact of such tariffs, changes in interest rates, changes 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 Company's dependence upon third-party suppliers, including some located in foreign countries with unstable political situations, the Company's ability to successfully implement new information technologies, 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 SEC 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 the Company's expectations, whether as a result of new information, future events or otherwise.

DESCRIPTION OF BUSINESS

The Company was originally formed as a Georgia corporation in 1957 and was reincorporated as a Delaware corporation in 2003. The Company primarily operates through its wholly-owned subsidiaries, NoJo Baby & Kids, Inc. and Sassy Baby, Inc. in the infant, toddler and juvenile products segment within the consumer products industry. The infant, toddler and juvenile products segment consists of infant and toddler bedding, bibs, toys, plush, dolls, diaper bags, disposables and feeding products.

The Company's products are marketed under a variety of Company-owned trademarks, under trademarks licensed from others and as private label goods. The Company-owned trademarks include Sassy®, NoJo®, Manhattan Toy®, Baby Boom® and Neat Solutions®. Sales of the Company's products are made directly to retailers, such as mass merchants, large chain stores, mid-tier retailers, juvenile specialty stores, value channel stores, grocery and drug stores, restaurants, wholesale clubs and internet-based retailers and direct-to-consumers through the Company's websites.

The infant, toddler and juvenile consumer products industry is highly competitive. The Company competes with a variety of distributors and manufacturers (both branded and private label), including large infant, toddler and juvenile product companies and specialty infant, toddler and juvenile product manufacturers, on the basis of quality, design, price, brand name recognition, service and packaging. The Company's ability to compete depends principally on styling, price, service to the retailer and continued high regard for the Company's products and trade names.

Foreign and domestic contract manufacturers produce most of the Company's products, with the largest concentration being in China. The Company makes sourcing decisions on the basis of quality, timeliness of delivery and price, including the impact of ocean freight and duties. Although the Company maintains relationships with a limited number of suppliers, the Company believes that its products may be readily manufactured by several alternative sources in quantities sufficient to meet the Company's requirements. The Company's management and quality assurance personnel visit the third-party facilities regularly to monitor and audit product quality and to ensure compliance with labor requirements and social and environmental standards. In addition, the Company closely monitors the currency exchange rate. The impact of future fluctuations in the exchange rate or changes in safeguards cannot be predicted with certainty.

The Company's products are warehoused and distributed domestically from leased facilities located in Compton, California and Eden Valley, Minnesota and internationally from third-party logistics warehouses in Belgium, Shanghai and the United Kingdom.

The U.S. government has tariffs on imports from certain countries, including China. During 2025, the U.S. government increased tariffs which increased the cost of the products the Company sources from China and affected shipments from the Company's Chinese-based suppliers. Some of these tariffs, the IEEPA tariffs, were recently deemed illegal by the U.S. Supreme Court ruling issued on February 20, 2026. The Company incurred approximately \$5.3 million and \$267 thousand of IEEPA tariffs during fiscal year 2026 and 2025, respectively. In April 2026, the U.S. Customs and Border Protection launched CAPE, a platform for importers of record to submit IEEPA tariff refund requests. The Company has evaluated its eligibility to submit IEEPA tariff refund requests, is complying with all applicable refund procedures and has submitted its eligible entries. As of June 28, 2026, \$4.7 million of the refunds submitted were accepted by the CAPE system. These accepted claims for the recovery of IEEPA tariffs were deemed probable under the loss recovery model as of June 28, 2026. Of this amount, \$0.2 million was received during the quarter and the remaining \$4.5 million has been recorded as a receivable included within other current assets on the Condensed Consolidated Balance Sheets. The Company recognized a reduction in cost of sales of \$3.7 million within the Condensed Consolidated Statements of Operations. Additionally, \$0.9 million was recorded as a reduction to inventory for tariff costs that remain capitalized within inventory. As of August 5, 2026, the Company has received \$4.6 million in IEEPA refunds. The Company continues to evaluate the impact of the tariffs and its potential refunds on the additional \$0.9 million of refund requests. While significant refunds have been received, some uncertainty remains regarding the ultimate availability, timing, and amount of a full recovery of this amount. The Company will continue to monitor developments and will recognize any additional recovery when realization becomes probable.

A summary of certain factors that management considers important in reviewing the Company's results of operations, financial position, liquidity and capital resources is set forth below, which should be read in conjunction with the accompanying condensed consolidated financial statements and related notes included in the preceding sections of this Quarterly Report.

KNOWN TRENDS AND UNCERTAINTIES

The Company primarily sources products from foreign contract manufacturers, with the largest concentration being in China. The U.S. government has tariffs on imports from certain countries, including China. During 2025 and 2026, the U.S. government has increased and decreased tariffs which increases volatility in the cost of the products the Company sources from China and affects shipments from the Company's Chinese-based suppliers. Should the U.S. government introduce new or additional tariffs, the Company may not be able to timely pass along to its customers any or all increases in tariffs and freight charges. Further alterations the Company may make to its business strategy or operations to adapt to the changing tariff environment could be time-consuming and expensive. The full impact of additional tariffs may have a material adverse effect on the Company's business, cash flow, results of operations and financial condition.

For additional discussion of trends, uncertainties and other factors that could impact the Company's operating results, refer to the risk factors disclosed in Item 1A. of Part 1 of the Company's Annual Report on Form 10-K for the year ended March 29, 2026.

RESULTS OF OPERATIONS

The following table contains the results of operations for the three-month periods ended June 28, 2026 and June 29, 2025 and the dollar and percentage changes for those periods (in thousands, except percentages):

	Three-Month Periods Ended		Change	
	June 28, 2026	June 29, 2025	\$	%
Net sales by category:				
Bedding and diaper bags	\$ 6,033	\$ 6,791	\$ (758)	-11.2%
Bibs, toys and disposable products	10,733	8,687	2,046	23.6%
Total net sales	16,766	15,478	1,288	8.3%
Cost of products sold	8,735	11,960	(3,225)	-27.0%
Gross profit	8,031	3,518	4,513	128.3%
% of net sales	47.9%	22.7%		
Marketing and administrative expenses	5,232	4,717	515	10.9%
% of net sales	31.2%	30.5%		
Interest expense - net	(190)	(283)	93	-32.9%
Other income (expense) - net	165	99	66	-66.7%
Income tax expense	714	(279)	993	-355.9%
Net income	2,060	(1,104)	3,164	-286.6%
% of net sales	12.3%	-7.1%		

Net Sales: Sales were \$16.8 million for the three-month period ended June 28, 2026, compared with \$15.5 million for the three-month period ended June 29, 2025, an increase of \$1.3 million or 8.3%. Sales of bibs, toys and disposable products increased by \$2.0 million while the sales of bedding and diaper bags decreased by \$758 thousand. The overall increase in sales was primarily due to improved inventory availability, as the inventory shortages experienced in the prior year as a result of the Company's tariff mitigation strategy were no longer a significant factor. Additionally, the increase in bibs, toys and disposable products increased due to international sales.

Gross Profit: Gross profit increased by \$4.5 million from the prior year reflecting a margin of 47.9% for the three-month period ended June 28, 2026 compared to 22.7% of net sales for the three-month period ended June 29, 2025. The significant fluctuation in gross profit and gross margin is driven by the tariff refund recorded to cost of products sold of \$3.7 million. Gross margin without the tariff refund would have been 25.6%, an increase from the three-month period a year ago.

Marketing and Administrative Expenses: Marketing and administrative expenses increased by \$515 thousand and changed to 31.2% of net sales for the three-month period ended June 28, 2026 from 30.5% of net sales for the three-month period ended June 29, 2025. This increase was due to an increase in accrued incentive compensation, including \$529 thousand associated with tariff refunds, compared to the prior year.

Income Tax Expense (Benefit): Income tax expense increased \$993 thousand from an income tax benefit for the three-month period ended June 29, 2025 to the three-month period ended June 28, 2026. The Company's estimated annual ETR was 24.1% and 22.3% for the three-month periods ended June 28, 2026 and June 29, 2025, respectively.

Although the Company does not anticipate a material change to the ETR for the remainder of fiscal year 2027, several factors could impact the ETR, including variations from the Company's estimates of the amount and source of its pre-tax income, and the actual ETR for the year could differ materially from the Company's estimates.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities increased from \$5.2 million for the three-month period ended June 29, 2025 to \$5.5 million for the three-month period ended June 28, 2026. The increase in the current year was partially the result of a decrease of \$1.6 million in inventories that was \$5.3 million lower than the increase in the prior year and an increase of \$625 thousand in accrued liabilities that was \$1.6 million higher than the decrease in the prior year. These increases were partially offset by a decrease of \$5.2 million in accounts receivable that was \$2.2 million lower than the increase in the prior year, an increase of \$4.5 million in other current assets in the current year that was \$4.5 million lower in the prior year, and a decrease of \$237 thousand in accounts payable in the current year that was \$2.9 million lower than the increase in the prior year.

Net cash used in investing activities increased from \$86 thousand in the prior year to \$156 thousand in the current year which were primarily associated with capital expenditures for property, plant and equipment.

Net cash used in financing activities, which were primarily associated with net repayments under the revolving line of credit and payments of the term loan, was \$5.4 million compared to \$5.5 million in the prior year, a decrease of \$96 thousand.

As of June 28, 2026, the balance on the revolving line of credit with CIT was \$5.4 million, there was no letter of credit outstanding and \$11.9 million was available under the revolving line of credit with CIT based on the Company's eligible accounts receivable and inventory balances.

To reduce its exposure to credit losses, the Company assigns the majority of its trade accounts receivable to CIT pursuant to factoring agreements, which have expiration dates that are coterminous with that of the financing agreement described below. Under the terms of the factoring agreements, CIT remits customer payments to the Company as such payments are received by CIT.

CIT bears credit losses with respect to assigned accounts receivable from approved shipments, while the Company bears the responsibility for adjustments from customers related to returns, allowances, claims and discounts. CIT may at any time terminate or limit its approval of shipments to a particular customer. If such a termination or limitation occurs, then the Company either assumes (and may seek to mitigate) the credit risk for shipments to the customer after the date of such termination or limitation or discontinues shipments to the customer. Factoring fees, which are included in marketing and administrative expenses in the accompanying unaudited condensed consolidated statements of operations, amounted to \$77 thousand and \$70 thousand for the three-month periods ended June 28, 2026, and June 29, 2025.

On June 23, 2025, the Company and CIT further amended the Company's financing agreement with CIT to: (i) provide that, until the Company's term loan is paid in full, the Company shall maintain at all times Excess Availability equal to or the greater of (a) the sum of the balance outstanding under the Company's term loan plus \$1.0 million or (b) \$4.0 million (the "Availability Covenant"); and (ii) reinstate the fixed charge coverage ratio; provided however, that the fixed charge coverage ratio shall not be tested at any fiscal quarter end in which, during the immediately preceding fiscal quarter, the Company at all times has been in compliance with the Availability Covenant. As of June 28, 2026, the Company has complied with the Excess Availability requirements.

The Company's future performance is, to a certain extent, subject to general economic, financial, competitive, legislative, regulatory and other factors beyond its control. Based upon the current level of operations, the Company believes that its cash flow from operations and funds available under the revolving line of credit will be adequate to meet its liquidity needs.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion of market risks that could affect the Company, refer to the risk factors disclosed in Item 1A. of Part 1 of the Company's Annual Report on Form 10-K for the year ended March 29, 2026.

INTEREST RATE RISK

As of June 28, 2026, the Company had \$9.6 million of indebtedness that bears interest at a variable rate, comprised of borrowings under the revolving line of credit and a term loan. Based upon this level of outstanding debt, the Company's annual net income would decrease by approximately \$73 thousand for each increase of one percentage point in the interest rate applicable to the debt.

COMMODITY RATE RISK

The Company sources its products primarily from foreign contract manufacturers, with the largest concentration being in China. The Company's exposure to commodity price risk primarily relates to changes in the prices in China of cotton, oil and labor, which are the principal inputs used in a substantial number of the Company's products. In addition, although the Company pays its Chinese suppliers in U.S. dollars, a strengthening of the rate of the Chinese currency versus the U.S. dollar could result in an increase in the cost of the Company's finished goods. There is no assurance that the Company could timely respond to such increases by proportionately increasing the prices at which its products are sold to the Company's customers.

MARKET CONCENTRATION RISK

The Company's financial results are closely tied to sales to its top two customers, which represented approximately 57% of the Company's gross sales in fiscal year 2026. In addition, 52% of the Company's gross sales in fiscal year 2026 consisted of licensed products, which included 23% of sales associated with the Company's license agreements with affiliated companies of Disney. The Company's results could be materially impacted by the loss of one or more of these licenses.

The Company primarily sources products from foreign contract manufacturers, with the largest concentration being in China. The U.S. government has tariffs on imports from certain countries, including China. During 2025 and 2026, the U.S. government has increased and decreased tariffs which increases volatility in the cost of the products the Company sources from China and affects shipments from the Company's Chinese-based suppliers. Should the U.S. government introduce new or additional tariffs, the Company may not be able to timely pass along to its customers any or all increases in tariffs and freight charges. Further alterations the Company may make to its business strategy or operations to adapt to the changing tariff environment could be time-consuming and expensive. The full impact of additional tariffs may have a material adverse effect on the Company's business, cash flow, results of operations and financial condition.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report, as required by paragraph (b) of Rules 13a-15 or 15d-15 of the Exchange Act. Based on such evaluation, such officers have concluded that, as of the end of the period covered by this Quarterly Report, the Company's disclosure controls and procedures are effective.

During the three-month period ended June 28, 2026, there were no changes in the Company's internal control over financial reporting ("ICFR") identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 or 15d-15 of the Exchange Act that has materially affected, or is reasonably likely to materially affect, the Company's ICFR.

Limitations on Controls

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired objectives. Further, benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is, from time to time, involved in various legal and regulatory proceedings relating to claims arising in the ordinary course of its business. Neither the Company nor any of its subsidiaries is a party to any such proceeding the outcome of which, individually or in the aggregate, is expected to have a material adverse effect on the Company's financial condition, results of operations or cash flow.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed in Item 1A of Part 1 of the Company's Annual Report on Form 10-K for the year ended March 29, 2026.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the three-month period ended June 28, 2026, none of the Company's directors or officers informed the Company of the adoption, modification or termination of a "Rule 10-b5-1 trading arrangement" or "non-Rule 10-b5-1 trading arrangement," as those terms are defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

Exhibits required to be filed by Item 601 of Regulation S-K are included as Exhibits to this Quarterly Report and are listed below.

The agreements included as Exhibits to this Quarterly Report are included to provide information regarding the terms of these agreements and are not intended to provide any other factual or disclosure information about the Company or its subsidiaries, our business or the other parties to these agreements. These agreements may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;
- may have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to our investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time, and should not be relied upon by investors.

Exhibit Number	Description of Exhibit
3.1	<u>Amended and Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 28, 2003).</u>
3.2	<u>Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company (incorporated herein by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated August 9, 2011).</u>
3.3	<u>Amended and Restated Bylaws of the Company, effective as of November 14, 2023 (incorporated herein by reference to Exhibit 3.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended October 1, 2023).</u>
4.1	<u>Crown Crafts, Inc. Amended and Restated 2021 Incentive Plan.*</u>
4.2	<u>Incentive Stock Option Award Certificate under the Crown Crafts, Inc. Amended and Restated 2021 Incentive Plan.*</u>
4.3	<u>Nonstatutory Stock Option Award Certificate under the Crown Crafts, Inc. Amended and Restated 2021 Incentive Plan.*</u>
4.4	<u>Restricted Stock Award Certificate under the Crown Crafts, Inc. Amended and Restated 2021 Incentive Plan.*</u>
4.5	<u>Performance Share Award Certificate under the Crown Crafts, Inc. Amended and Restated 2021 Incentive Plan.*</u>
31.1	<u>Rule 13a-14(a)/15d-14(a) Certification by the Company's Chief Executive Officer.</u>
31.2	<u>Rule 13a-14(a)/15d-14(a) Certification by the Company's Chief Financial Officer.</u>
32.1	<u>Section 1350 Certification by the Company's Chief Executive Officer.</u>
32.2	<u>Section 1350 Certification by the Company's Chief Financial Officer.</u>
101	Interactive data files pursuant to Rule 405 of SEC Regulation S-T in connection with the Company's Form 10-Q for the quarterly period ended June 28, 2026, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Unaudited Condensed Consolidated Balance Sheets; (ii) Unaudited Condensed Consolidated Statements of Operations; (iii) Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity; (iv) Unaudited Condensed Consolidated Statements of Cash Flows; and (v) Notes to Unaudited Condensed Consolidated Financial Statements.
104	Cover page Interactive Data File pursuant to Rule 406 of SEC Regulation S-T formatted in iXBRL (Inline eXtensible Business Reporting Language) and contained in Exhibit 101.

* Management contract or a compensatory plan or arrangement.

SIGNATURE

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

CROWN CRAFTS, INC.

Date: August 12, 2026

/s/ Claire K. Spencer

CLAIRE K. SPENCER

Vice President and Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

**CROWN CRAFTS, INC.
AMENDED AND RESTATED
2021 INCENTIVE PLAN**

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**CROWN CRAFTS, INC.
AMENDED AND RESTATED
2021 INCENTIVE PLAN**

SECTION 1 PURPOSE

The purpose of the Crown Crafts, Inc. Amended and Restated 2021 Incentive Plan, which amends and restates the Crown Crafts, Inc. 2021 Incentive Plan, is to: (i) promote the success, and enhance the value, of Crown Crafts, Inc. (the “**Company**”) by linking the personal interests of employees, officers, directors, consultants and advisors of the Company or any Affiliate (as defined below) to those of the Company’s stockholders and by providing such persons with an incentive for outstanding performance; and (ii) provide flexibility to the Company in its ability to motivate, attract and retain the services of employees, officers, directors, consultants and advisors upon whose judgment, interest and special effort the successful conduct of the Company’s operation is largely dependent. Accordingly, the Plan (as defined below) permits the grant of incentive awards from time to time to selected employees, officers, directors, consultants and advisors of the Company and its Affiliates.

SECTION 2 DEFINITIONS

When a word or phrase appears in this Plan with the initial letter capitalized, and the word or phrase does not commence a sentence, the word or phrase shall generally be given the meaning ascribed to it in this Section or in Section 1 unless a clearly different meaning is required by the context. The following words and phrases shall have the following meanings:

(a) “**Affiliate**” means: (i) any Subsidiary or Parent; or (ii) an entity that directly or through one or more intermediaries controls, is controlled by or is under common control with, the Company, as determined by the Committee.

(b) “**Award**” means an award of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Deferred Stock Units, Performance Awards, Other Stock-Based Awards, or any other right or interest relating to Stock or cash, granted to a Participant under the Plan.

(c) “**Award Certificate**” means a written document, in such form as the Committee prescribes from time to time, setting forth the terms and conditions of an Award. Award Certificates may be in the form of individual award agreements or certificates or a program document describing the terms and provisions of an Award or series of Awards under the Plan. The Committee may provide for the use of electronic, internet or other non-paper Award Certificates, and the use of electronic, internet or other non-paper means for the acceptance thereof and actions thereunder by a Participant.

(d) “**Beneficial Owner**” shall have the meaning given such term in Rule 13d-3 of the General Rules and Regulations under the 1934 Act.

(e) “**Board**” means the Board of Directors of the Company.

(f) “**Cause**” as a reason for a Participant’s termination of employment shall have the meaning assigned such term in the employment, service, severance or similar agreement, if any, between such Participant and the Company or an Affiliate, provided, however that if there is no such employment, service, severance or similar agreement in which such term is defined, and unless otherwise defined in the applicable Award Certificate, “**Cause**” shall mean any of the following acts by the Participant, as determined by the Committee or the Board: (i) the Participant’s act or failure to act amounting to gross negligence or willful misconduct to the detriment of the Company; (ii) the Participant’s dishonesty, fraud, theft or embezzlement of funds or properties in the course of the Participant’s employment or service; (iii) the Participant’s commission of or pleading guilty to or confessing to any felony; or (iv) the Participant’s breach of any restrictive covenant agreement with the Company, including, without limitation, covenants not to compete, non-solicitation covenants and non-disclosure covenants.

(g) “**Change in Control**” means and includes the occurrence of any one of the following events but shall specifically exclude a public offering of securities by the Company:

(i) individuals who, on the Effective Date, constitute the Board (the “**Incumbent Directors**”) cease for any reason to constitute at least a majority of such Board, provided that any person becoming a director after the Effective Date and whose election or nomination for election was approved by a vote of at least a majority of the Incumbent Directors then on the Board shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to the election or removal of directors (“**Election Contest**”) or other actual or threatened solicitation of proxies or consents by or on behalf of any Person other than the Board (“**Proxy Contest**”), including, without limitation, by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest, shall be deemed an Incumbent Director; or

(ii) any person becomes a Beneficial Owner, directly or indirectly, of either: (A) 50% or more of the then-outstanding shares of common stock of the Company (“**Company Common Stock**”), or (B) securities of the Company representing 50% or more of the combined voting power of the Company’s then outstanding securities eligible to vote for the election of directors (the “**Company Voting Securities**”); provided, however, that for purposes of this subsection (ii), the following acquisitions of Company Common Stock or Company Voting Securities shall not constitute a Change in Control: (w) an acquisition directly from the Company, (x) an acquisition by the Company or a Subsidiary of the Company, (y) an acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary of the Company, or (z) an acquisition pursuant to a Non-Qualifying Transaction (as defined in subsection (iii) below); or

(iii) the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company or a Subsidiary (a “**Reorganization**”), or the sale or other disposition of all or substantially all of the Company’s assets (a “**Sale**”) or the acquisition of assets or stock of another corporation (an “**Acquisition**”), unless immediately following such Reorganization, Sale or Acquisition: (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the outstanding Company Common Stock and outstanding Company Voting Securities immediately prior to such Reorganization, Sale or Acquisition beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Reorganization, Sale or Acquisition (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets or stock either directly or through one or more subsidiaries, the “**Surviving Corporation**”) in substantially the same proportions as their ownership, immediately prior to such Reorganization, Sale or Acquisition, of the outstanding Company Common Stock and the outstanding Company Voting Securities, as the case may be, and (B) no Person (other than (x) the Company or any Subsidiary of the Company, (y) the Surviving Corporation or its ultimate parent corporation, or (z) any employee benefit plan (or related trust) sponsored or maintained by any of the foregoing is the beneficial owner, directly or indirectly, of 50% or more of the total common stock or 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the Surviving Corporation, and (C) at least a majority of the members of the board of directors of the Surviving Corporation were Incumbent Directors at the time of the Board’s approval of the execution of the initial agreement providing for such Reorganization, Sale or Acquisition (any Reorganization, Sale or Acquisition which satisfies all of the criteria specified in (A), (B) and (C) above shall be deemed to be a “**Non-Qualifying Transaction**”); or

(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(h) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time. For purposes of this Plan, references to sections of the Code shall be deemed to include references to any applicable regulations thereunder and any successor or similar provision.

(i) “**Committee**” means the committee of the Board described in Section 4.

(j) “**Company**” means Crown Crafts, Inc., a Delaware corporation, or any successor corporation.

(k) “**Continuous Service**” means the absence of any interruption or termination of service as an employee, officer, director, consultant or advisor of the Company or any Affiliate, as applicable; provided, however, that for purposes of an Incentive Stock Option “Continuous Service” means the absence of any interruption or termination of service as an employee of the Company or any Parent or Subsidiary, as applicable, pursuant to applicable tax regulations. Continuous Service shall not be considered interrupted in the following cases: (i) a Participant transfers employment between the Company and an Affiliate or between Affiliates; (ii) in the discretion of the Committee as specified at or prior to such occurrence, in the case of a spin-off, sale or disposition of the Participant’s employer from the Company or any Affiliate; (iii) a Participant transfers from being an employee of the Company or an Affiliate to being a director of the Company or of an Affiliate, or vice versa; (iv) in the discretion of the Committee, a Participant transfers from being an employee of the Company or an Affiliate to being a consultant to the Company or of an Affiliate, or vice versa; (v) in the discretion of the Committee as specified at or prior to such occurrence, a Participant transfers from being an employee of the Company or an Affiliate to being a consultant to the Company or an Affiliate, or vice versa; or (vi) any leave of absence authorized in writing by the Company prior to its commencement; provided, however, that for purposes of Incentive Stock Options, no such leave may exceed 90 days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, on the 91st day of such leave any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option. Whether military, government or other service or other leave of absence shall constitute a termination of Continuous Service shall be determined in each case by the Committee at its discretion, and any determination by the Committee shall be final and conclusive; provided, however, that for purposes of any Award that is subject to Code Section 409A, the determination of a leave of absence must comply with the requirements of a “bona fide leave of absence” as provided in Treas. Reg. Section 1.409A-1(h).

(l) “**Deferred Stock Unit**” means a right granted to a Participant under Section 9 to receive Shares (or the equivalent value in cash or other property if the Committee so provides) at a future time as determined by the Committee, or as determined by the Participant within guidelines established by the Committee in the case of voluntary deferral elections.

(m) “**Disability**” means the inability of the Participant, as reasonably determined by the Company, to perform the essential functions of his or her regular duties and responsibilities, with or without reasonable accommodation, due to a medically determinable physical or mental illness which has lasted (or can reasonably be expected to last) for a period of six consecutive months.

(n) **“Dividend Equivalent”** means a right granted to a Participant under Section 11.

(o) **“Effective Date”** has the meaning assigned such term in Section 3.1.

(p) **“Eligible Participant”** means an employee, officer, director, consultant or advisor of the Company or any Affiliate.

(q) **“Exchange”** means any national securities exchange on which the Stock may from time to time be listed.

(r) **“Fair Market Value,”** on any date, means: (i) if the Stock is listed on a securities exchange, the closing sales price on such exchange on such date or, in the absence of reported sales on such date, the closing sales price on the immediately preceding date on which sales were reported; or (ii) if the Stock is not listed on a securities exchange, the mean between the bid and offered prices as quoted by the applicable interdealer quotation system for such date, provided that if the Stock is not quoted on an interdealer quotation system or it is determined that the fair market value is not properly reflected by such quotations, then Fair Market Value will be determined by such other method as the Committee determines in good faith to be reasonable and in compliance with Code Section 409A.

(s) **“Full-Value Award”** means an Award other than in the form of an Option or SAR, and which is settled by the issuance of Stock (or at the discretion of the Committee, settled in cash valued by reference to Stock value).

(t) **“Grant Date”** of an Award means the first date on which all necessary corporate action has been taken to approve the grant of the Award as provided in the Plan, or such later date as is determined and specified as part of that authorization process. Notice of the grant shall be provided to the grantee within a reasonable time after the Grant Date.

(u) **“Good Reason”** as a reason for a Participant’s termination of employment shall have the meaning assigned such term in the employment, service, severance or similar agreement, if any, between such Participant and the Company or an Affiliate, provided, however that if there is no such employment, service, severance or similar agreement in which such term is defined, and unless otherwise defined in the applicable Award Certificate, **“Good Reason”** means the occurrence of any of the following conditions without the Participant’s consent, as determined by the Committee or the Board: (i) a material diminution in the Participant’s authority, duties or responsibilities from those that existed on the date immediately preceding the Change in Control; (ii) a material reduction in the Participant’s base salary or annual bonus opportunity, in each case as in effect on the date immediately preceding the Change in Control; or (iii) the relocation of the Participant’s primary office to a location more than 50 miles from the location of the Participant’s primary office on the date immediately preceding the Change in Control. Notwithstanding the foregoing, the occurrence of any of the events described in the immediately preceding clauses (i), (ii) and (iii) will not constitute Good Reason unless (x) the Participant gives the Company written notice within 30 days after the initial occurrence of an event that the Participant believes constitutes Good Reason and describes such event in the notice, (y) the Company thereafter fails to cure any such event within 30 days after receipt of such notice and (z) the Participant’s termination as a result of such event occurs at least 31 days after the Company’s receipt of the notice referred to in the immediately preceding clause (y) but no more than 90 days after the initial occurrence of the event that the Participant believes constitutes Good Reason.

(v) **“Incentive Stock Option”** means an Option that is intended to be an incentive stock option and meets the requirements of Section 422 of the Code or any successor provision thereto.

(w) “**Independent Directors**” means those members of the Board who qualify at any given time as: (i) an “independent” director under the applicable rules of each Exchange on which the Stock is listed; and (ii) a “non-employee” director under Rule 16b-3 of the 1934 Act.

(x) “**Non-Employee Director**” means a director of the Company who is not a common law employee of the Company or an Affiliate.

(y) “**Nonstatutory Stock Option**” means an Option that is not an Incentive Stock Option.

(z) “**Option**” means a right granted to a Participant under Section 7 to purchase Stock at a specified price during specified time periods. An Option may be either an Incentive Stock Option or a Nonstatutory Stock Option.

(aa) “**Other Stock-Based Award**” means a right, granted to a Participant under Section 12, that relates to or is valued by reference to Stock or other Awards relating to Stock.

(bb) “**Parent**” means a corporation, limited liability company, partnership or other entity which owns or beneficially owns a majority of the outstanding voting stock or voting power of the Company. Notwithstanding the above, with respect to an Incentive Stock Option, Parent shall have the meaning set forth in Section 424(e) of the Code.

(cc) “**Participant**” means an Eligible Participant who has been granted an Award under the Plan; provided that in the case of the death of a Participant, the term “Participant” refers to a beneficiary designated pursuant to Section 13.4 or the legal guardian or other legal representative acting in a fiduciary capacity on behalf of the Participant under applicable state law and court supervision.

(dd) “**Performance Award**” means any award granted under the Plan pursuant to Section 10.

(ee) “**Person**” means any individual, entity or group, within the meaning of Section 3(a)(9) of the 1934 Act and as used in Section 13(d)(3) or 14(d)(2) of the 1934 Act.

(ff) “**Plan**” means the Crown Crafts, Inc. 2021 Incentive Plan, as amended and restated by the Crown Crafts, Inc. Amended and Restated 2021 Incentive Plan, as may be further amended and/or restated from time to time.

(gg) “**Prior Plan**” means the Crown Crafts, Inc. 2014 Omnibus Equity Compensation Plan, as amended.

(hh) “**Restricted Stock**” means Stock granted to a Participant under Section 9 that is subject to certain restrictions and to risk of forfeiture.

(ii) “**Restricted Stock Unit**” means the right granted to a Participant under Section 9 to receive shares of Stock (or the equivalent value in cash or other property if the Committee so provides) in the future, which right is subject to certain restrictions and to risk of forfeiture.

(jj) “**Shares**” means shares of the Company’s Series A common stock, par value \$0.01 per share. If there has been an adjustment or substitution pursuant to Section 14.1, the term “Shares” shall also include any shares of stock or other securities that are substituted for Shares or into which Shares are adjusted pursuant to Section 14.1.

(kk) “**Stock**” means the Company’s Series A common stock, \$0.01 par value per share, and such other securities of the Company as may be substituted for Stock pursuant to Section 14.

(ll) “**Stock Appreciation Right**” or “**SAR**” means a right granted to a Participant under Section 8 to receive a payment equal to the difference between the Fair Market Value of a Share as of the date of exercise of the SAR over the base price of the SAR, all as determined pursuant to Section 8.

(mm) “**Subsidiary**” means any corporation, limited liability company, partnership or other entity, domestic or foreign, of which a majority of the outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company. Notwithstanding the above, with respect to an Incentive Stock Option, Subsidiary shall have the meaning set forth in Section 424(f) of the Code.

(nn) “**1933 Act**” means the Securities Act of 1933, as amended from time to time.

(oo) “**1934 Act**” means the Securities Exchange Act of 1934, as amended from time to time.

SECTION 3 EFFECTIVE TERM OF PLAN

3.1 Effective Date. The Crown Crafts, Inc. 2021 Incentive Plan was originally effective as of August 10, 2021, which was the date it was approved by the stockholders of the Company. The Crown Crafts, Inc. Amended and Restated 2021 Incentive Plan: (i) amends and restates the Crown Crafts, Inc. 2021 Incentive Plan; and (ii) is effective August 10, 2026 (the “**Effective Date**”), which is the date the Crown Crafts, Inc. Amended and Restated 2021 Incentive Plan was approved by the stockholders of the Company.

3.2 Termination of Plan. Unless earlier terminated as provided herein, the Plan shall continue in effect until August 10, 2036, which is the tenth anniversary of the Effective Date. The termination of the Plan on such date shall not affect the validity of any Award outstanding on the date of termination, which shall continue to be governed by the applicable terms and conditions of the Plan. Notwithstanding the foregoing, no Incentive Stock Options may be granted more than ten years after the Effective Date.

SECTION 4 ADMINISTRATION

4.1 Committee. The Plan shall be administered by a Committee appointed by the Board (which Committee shall consist of at least two directors) or, at the discretion of the Board from time to time, the Plan may be administered by the Board. Unless and until changed by the Board, the Compensation Committee of the Board is designated as the Committee to administer the Plan. It is intended that at least two of the directors appointed to serve on the Committee shall be Independent Directors and that any such members of the Committee who do not so qualify shall abstain from participating in any decision to make or administer Awards that are made to Eligible Participants who at the time of consideration for such Award are persons subject to the short-swing profit rules of Section 16 of the 1934 Act. However, the mere fact that a Committee member shall fail to qualify as an Independent Director or shall fail to abstain from such action shall not invalidate any Award made by the Committee which Award is otherwise validly made under the Plan. The members of the Committee shall be appointed by, and may be changed at any time and from time to time in the discretion of, the Board. The Board may reserve to itself any or all of the authority and responsibility of the Committee under the Plan or may act as administrator of the Plan for any and all purposes. To the extent the Board has reserved any authority and responsibility or during any time that the Board is acting as administrator of the Plan, it shall have all the powers and protections of the Committee hereunder, and any reference herein to the Committee (other than in this Section 4.1) shall include the Board. To the extent any action of the Board under the Plan conflicts with actions taken by the Committee, the actions of the Board shall control.

4.2 Action and Interpretations by the Committee. For purposes of administering the Plan, the Committee may from time to time adopt rules, regulations, guidelines and procedures for carrying out the provisions and purposes of the Plan and make such other determinations, not inconsistent with the Plan, as the Committee may deem appropriate. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent it deems necessary to carry out the intent of the Plan. The Committee's interpretation of the Plan, any Awards granted under the Plan, any Award Certificate and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Affiliate, the Company's or an Affiliate's independent certified public accountants, Company counsel or any executive compensation consultant or other professional retained by the Company or the Committee to assist in the administration of the Plan. No member of the Committee will be liable for any good faith determination, act or omission in connection with the Plan or any Award.

4.3 Authority of Committee. Except as provided in Section 4.1, the Committee has the exclusive power, authority and discretion to:

- (a) grant Awards;
- (b) designate Participants;
- (c) determine the type or types of Awards to be granted to each Participant;
- (d) determine the number of Awards to be granted and the number of Shares or dollar amount to which an Award will relate;
- (e) determine the terms and conditions of any Award granted under the Plan;
- (f) prescribe the form of each Award Certificate, which need not be identical for each Participant;
- (g) decide all other matters that must be determined in connection with an Award;
- (h) establish, adopt or revise any plan, program or policy for the grant of Awards as it may deem necessary or advisable, including, without limitation, short-term incentive programs, and any special Plan documents;
- (i) establish, adopt or revise any rules, regulations, guidelines or procedures as it may deem necessary or advisable to administer the Plan;
- (j) make all other decisions and determinations that may be required under the Plan or as the Committee deems necessary or advisable to administer the Plan;
- (k) amend the Plan or any Award Certificate as provided herein; and
- (l) adopt such modifications, procedures, and subplans as may be necessary or desirable to comply with provisions of the laws of the United States or any non-U.S. jurisdictions in which the Company or any Affiliate may operate, in order to assure the viability of the benefits of Awards granted to participants located in the United States or such other jurisdictions and to further the objectives of the Plan.

4.4 Delegation.

(a) Administrative Duties. The Committee may delegate to one or more of its members or to one or more officers of the Company or an Affiliate or to one or more agents or advisors such administrative duties or powers as it may deem advisable, and the Committee or any individuals to whom it has delegated duties or powers as aforesaid may employ one or more individuals to render advice with respect to any responsibility the Committee or such individuals may have under this Plan.

(b) Special Committee. The Board may, by resolution, expressly delegate to a special committee, consisting of one or more directors who may but need not be officers of the Company, the authority, within specified parameters as to the number and terms of Awards, to: (i) designate officers and/or employees of the Company or any of its Affiliates to be recipients of Awards under the Plan; and (ii) to determine the number of such Awards to be received by any such Participants; provided, however, that such delegation of duties and responsibilities to an officer of the Company may not be made with respect to the grant of Awards to eligible participants who are subject to Section 16(a) of the 1934 Act at the Grant Date. The acts of such delegates shall be treated hereunder as acts of the Board and such delegates shall report regularly to the Board and the Committee regarding the delegated duties and responsibilities and any Awards so granted.

SECTION 5 SHARES SUBJECT TO THE PLAN

5.1 Number of Shares. Subject to adjustment as provided in Section 5.2 and Section 14.1, the aggregate number of Shares reserved and available for issuance pursuant to Awards granted under the Plan shall be 2,450,000, all of which may be granted as Incentive Stock Options. From and after August 10, 2021, no further awards shall be granted under the Prior Plan, and the Prior Plan shall remain in effect only so long as awards granted thereunder shall remain outstanding.

5.2 Share Counting. Shares covered by an Award shall be subtracted from the Plan share reserve as of the Grant Date, but shall be added back to the Plan share reserve or otherwise treated in accordance with subsections (a) through (h) of this Section 5.2.

(a) To the extent that an Award is canceled, terminates, expires, is forfeited or lapses for any reason, any unissued or forfeited Shares subject to the Award will be added back to the Plan share reserve and again be available for issuance pursuant to Awards granted under the Plan.

(b) Shares subject to Awards settled in cash will be added back to the Plan share reserve and again be available for issuance pursuant to Awards granted under the Plan.

(c) Shares withheld from an Award to satisfy tax withholding requirements will count against the number of Shares remaining available for issuance pursuant to Awards granted under the Plan, and Shares delivered by a Participant to satisfy tax withholding requirements will not be added to the Plan share reserve.

(d) The full number of Shares subject to an Option shall count against the number of Shares remaining available for issuance pursuant to Awards granted under the Plan, even if the exercise price of an Option is satisfied through net-settlement or by delivering Shares to the Company (by either actual delivery or attestation).

(e) The full number of Shares subject to a SAR shall count against the number of Shares remaining available for issuance pursuant to Awards made under the Plan (rather than the net number of Shares actually delivered upon exercise).

(f) Shares purchased on the open market with proceeds of an Option exercise will not be added back to the Plan share reserve and will not again be available for issuance pursuant to Awards granted under the Plan.

(g) Substitute Awards granted pursuant to Section 13.11 shall not count against the Shares otherwise available for issuance under the Plan under Section 5.1.

(h) Subject to applicable Exchange requirements, shares available under a stockholder-approved plan of a company acquired by the Company (as appropriately adjusted to Shares to reflect the transaction) may be issued under the Plan pursuant to Awards granted to individuals who were not employees of the Company or its Affiliates immediately before such transaction and will not count against the maximum share limitation specified in Section 5.1.

5.3 Stock Distributed. Any Stock distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Stock, treasury Stock or Stock purchased on the open market.

SECTION 6 ELIGIBILITY

Awards may be granted only to Eligible Participants. Incentive Stock Options may be granted only to Eligible Participants who are employees of the Company or a Parent or Subsidiary as defined in Section 424(e) and (f) of the Code. Eligible Participants who are service providers to an Affiliate may be granted Options or SARs under this Plan only if the Affiliate qualifies as an “eligible issuer of service recipient stock” within the meaning of §1.409A-1(b)(5)(iii)(E) of the final regulations under Code Section 409A.

SECTION 7 STOCK OPTIONS

7.1 General. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Exercise Price. The exercise price per Share under an Option shall be determined by the Committee, provided that the exercise price for any Option (other than an Option issued as a substitute Award pursuant to Section 13.11) shall not be less than the Fair Market Value as of the Grant Date.

(b) Prohibition on Repricing. Except as otherwise provided in Section 14.1, without the prior approval of stockholders of the Company: (i) the exercise price of an Option may not be reduced, directly or indirectly; (ii) an Option may not be cancelled in exchange for cash, other Awards or Options or SARs with an exercise or base price that is less than the exercise price of the original Option; and (iii) the Company may not repurchase an Option for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option is lower than the exercise price per share of the Option.

(c) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, subject to Section 7.1(e), and may include in the Award Certificate a provision that an Option that is otherwise exercisable and has an exercise price that is less than the Fair Market Value of the Stock on the last day of its term will be automatically exercised on such final date of the term by means of a “net exercise,” thus entitling the optionee to Shares equal to the intrinsic value of the Option on such exercise date, less the number of Shares required for tax withholding. The Committee shall also determine the performance or other conditions, if any, that must be satisfied before all or part of an Option may be exercised or vested.

(d) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, and the methods by which Shares shall be delivered or deemed to be delivered to Participants. As determined by the Committee at or after the Grant Date, payment of the exercise price of an Option may be made, 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 based on the Fair Market Value of the Shares on the date the Option is exercised; (iii) withholding of Shares 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 (iv) any other “cashless exercise” arrangement.

(e) Exercise Term. Except for Nonstatutory Options granted to Participants outside the United States, no Option granted under the Plan shall be exercisable for more than ten years from the Grant Date.

(f) No Deferral Feature. No Option shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the exercise or disposition of the Option.

(g) No Dividend Equivalents. No Option shall provide for Dividend Equivalents.

7.2 Incentive Stock Options. The terms of any Incentive Stock Options granted under the Plan must comply with the requirements of Section 422 of the Code. Without limiting the foregoing, any Incentive Stock Option granted to a Participant who at the Grant Date owns more than 10% of the voting power of all classes of shares of the Company must have an exercise price per Share of not less than 110% of the Fair Market Value per Share on the Grant Date and an Option term of not more than five years. If all of the requirements of Section 422 of the Code (including the above) are not met, the Option shall automatically become a Nonstatutory Stock Option.

SECTION 8 STOCK APPRECIATION RIGHTS

8.1 Grant of Stock Appreciation Rights. The Committee is authorized to grant Stock Appreciation Rights to Participants on the following terms and conditions:

(a) Right to Payment. Upon the exercise of a SAR, the Participant has the right to receive, for each Share with respect to which the SAR is being exercised, the excess, if any, of: (i) the Fair Market Value of one Share on the date of exercise; over (ii) the base price of the SAR as determined by the Committee and set forth in the Award Certificate, which shall not be less than the Fair Market Value of one Share on the Grant Date.

(b) Prohibition on Repricing. Except as otherwise provided in Section 14.1, without the prior approval of the stockholders of the Company: (i) the base price of a SAR may not be reduced, directly or indirectly; (ii) a SAR may not be cancelled in exchange for cash, other Awards, or Options or SARs with an exercise or base price that is less than the base price of the original SAR; and (iii) the Company may not repurchase a SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the SAR is lower than the base price per share of the SAR.

(c) Time and Conditions of Exercise. The Committee shall determine the time or times at which a SAR may be exercised in whole or in part, and may include in the Award Certificate a provision that a SAR that is otherwise exercisable and has a base price that is less than the Fair Market Value of the Stock on the last day of its term will be automatically exercised on such final date of the term, thus entitling the holder to cash or Shares equal to the intrinsic value of the SAR on such exercise date, less the cash or number of Shares required for tax withholding. Except for SARs granted to Participants outside the United States, no SAR shall be exercisable for more than ten years from the Grant Date.

(d) No Deferral Feature. No SAR shall provide for any feature for the deferral of compensation other than the deferral of recognition of income until the exercise or disposition of the SAR.

(e) No Dividend Equivalents. No SAR shall provide for Dividend Equivalents.

(f) Other Terms. All SARs shall be evidenced by an Award Certificate. Subject to the limitations of this Section 8, the terms, methods of exercise, methods of settlement, form of consideration payable in settlement (e.g., cash, Shares or other property), and any other terms and conditions of the SAR shall be determined by the Committee at the time of the grant and shall be reflected in the Award Certificate.

SECTION 9 RESTRICTED STOCK AND STOCK UNITS

9.1 Grant of Restricted Stock and Stock Units. The Committee is authorized to make Awards of Restricted Stock, Restricted Stock Units or Deferred Stock Units to Participants in such amounts and subject to such terms and conditions as may be selected by the Committee. An Award of Restricted Stock, Restricted Stock Units or Deferred Stock Units shall be evidenced by an Award Certificate setting forth the terms, conditions, and restrictions applicable to the Award.

9.2 Issuance and Restrictions. Restricted Stock, Restricted Stock Units or Deferred Stock Units shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, for example, limitations on the right to vote Restricted Stock or the right to receive dividends on the Restricted Stock). These restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, upon the satisfaction of performance goals or otherwise, as the Committee determines at the time of the grant of the Award or thereafter. Except as otherwise provided in an Award Certificate or any special Plan document governing an Award, a Participant shall have none of the rights of a stockholder with respect to Restricted Stock Units or Deferred Stock Units until such time as Shares of Stock are paid in settlement of such Awards.

9.3 Dividends on Restricted Stock. Dividends accrued on shares of Restricted Stock 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 host Award becomes vested, and any dividends accrued with respect to forfeited Restricted Stock 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 of the underlying Restricted Stock Award lapse.

9.4 Forfeiture. Subject to the terms of the Award Certificate and except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of Continuous Service during the applicable restriction period or upon failure to satisfy a performance goal during the applicable restriction period, Restricted Stock or Restricted Stock Units that are at that time subject to restrictions shall be forfeited.

9.5 Delivery of Restricted Stock. Shares of Restricted Stock shall be delivered to the Participant at 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 certificates registered in the name of the Participant. If physical certificates representing shares of Restricted Stock are registered in the name of the Participant, such certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock.

SECTION 10 PERFORMANCE AWARDS

10.1 Grant of Performance Awards. The Committee is authorized to grant any Award under this Plan, including cash-based Awards, with performance-based vesting criteria, on such terms and conditions as may be selected by the Committee. Any such Awards with performance-based vesting criteria are referred to herein as Performance Awards. The Committee shall have the complete discretion to determine the number of Performance Awards granted to each Participant and to designate the provisions of such Performance Awards as provided in Section 4.3. All Performance Awards shall be evidenced by an Award Certificate or a written program established by the Committee, pursuant to which Performance Awards are awarded under the Plan under uniform terms, conditions and restrictions set forth in such written program.

10.2 Performance Goals. The Committee may establish performance goals for Performance Awards which may be based on any criteria selected by the Committee. Such performance goals may be described in terms of Company-wide objectives or in terms of objectives that relate to the performance of the Participant, an Affiliate or a division, region, department or function within the Company or an Affiliate. If the Committee determines that a change in the business, operations, corporate structure or capital structure of the Company or the manner in which the Company or an Affiliate conducts its business, or other events or circumstances render performance goals to be unsuitable, the Committee may modify such performance goals in whole or in part, as the Committee deems appropriate. If a Participant is promoted, demoted or transferred to a different business unit or function during a performance period, the Committee may determine that the performance goals or performance period are no longer appropriate and may: (i) adjust, change or eliminate the performance goals or the applicable performance period as it deems appropriate to make such goals and period comparable to the initial goals and period; or (ii) make a cash payment to the participant in an amount determined by the Committee.

SECTION 11 DIVIDEND EQUIVALENTS

11.1 Grant of Dividend Equivalents The Committee is authorized to grant Dividend Equivalents with respect to Full-Value Awards granted hereunder. Dividend Equivalents shall entitle the Participant to receive payments equal to ordinary cash dividends or distributions with respect to all or a portion of the number of Shares subject to a Full-Value Award, as determined by the Committee. Dividend Equivalents accruing on unvested Full-Value Awards shall, as provided in the Award Certificate, either: (i) be reinvested in the form of additional Shares (subject to Share availability under Section 5.1), which shall be subject to the same vesting provisions as provided for the host Award; or (ii) be credited by the Company to an account for the Participant and accumulated without interest until the date upon which the host Award becomes vested, and, in either case, any Dividend Equivalents accrued with respect to forfeited Awards will be reconveyed to the Company without further consideration or any act or action by the Participant. In no event shall Dividend Equivalents be paid or distributed until the vesting restrictions of the underlying Full-Value Award lapse.

SECTION 12 STOCK OR OTHER STOCK-BASED AWARDS

12.1 Grant of Stock or Other Stock-Based Awards. The Committee is authorized, subject to limitations under applicable law, to grant to Participants such other Awards that are payable in, valued in whole or in part by reference to, or otherwise based on or related to Shares, as deemed by the Committee to be consistent with the purposes of the Plan, including, without limitation (but subject to Section 13.6), Shares awarded purely as a “bonus” and not subject to any restrictions or conditions, convertible or exchangeable debt securities, other rights convertible or exchangeable into Shares, including limited partnership interests in a limited partnership entity of which the Company is general partner that may be exchanged or redeemed for Shares on a one-for-one basis, or any profits interest in such limited partnership entity that may be exchanged or converted into such limited partnership interests, and Awards valued by reference to book value of Shares or the value of securities of or the performance of specified Parents or Subsidiaries. The Committee shall determine the terms and conditions of such Awards.

SECTION 13 PROVISIONS APPLICABLE TO AWARDS

13.1 Award Certificates. Each Award shall be evidenced by an Award Certificate. Each Award Certificate shall include such provisions, not inconsistent with the Plan, as may be specified by the Committee.

13.2 Form of Payment for Awards. At the discretion of the Committee, payment of Awards may be made in cash, Stock, a combination of cash and Stock, or any other form of property as the Committee shall determine. In addition, payment of Awards may include such terms, conditions, restrictions and/or limitations, if any, as the Committee deems appropriate, including, in the case of Awards paid in the form of Stock, restrictions on transfer and forfeiture provisions. Further, payment of Awards may be made in the form of a lump sum, or in installments, as determined by the Committee.

13.3 Limits on Transfer. No right or interest of a Participant in any unexercised or restricted Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or an Affiliate, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or an Affiliate. No unexercised or restricted Award shall be assignable or transferable by a Participant other than by will or the laws of descent and distribution or, except in the case of an Incentive Stock Option, pursuant to a domestic relations order that would satisfy Section 414(p)(1)(A) of the Code if such Section applied to an Award under the Plan; provided, however, that the Committee may (but need not) permit other transfers (other than transfers for value) where the Committee concludes that such transferability: (i) does not result in accelerated taxation; (ii) does not cause any Option intended to be an Incentive Stock Option to fail to be described in Code Section 422(b); and (iii) is otherwise appropriate and desirable, taking into account any factors deemed relevant, including, without limitation, state or federal tax or securities laws applicable to transferable Awards.

13.4 Beneficiaries. Notwithstanding Section 13.3, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights under the Plan is subject to all terms and conditions of the Plan and any Award Certificate applicable to the Participant, except to the extent the Plan and Award Certificate otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If no beneficiary has been designated or survives the Participant, any payment due to the Participant shall be made to the Participant's estate. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant, in the manner provided by the Company, at any time provided the change or revocation is filed with the Committee.

13.5 Stock Trading Restrictions. All Stock issuable under the Plan is subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with federal or state securities laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Stock is listed, quoted, or traded. The Committee may place legends on any Stock certificate or issue instructions to the transfer agent to reference restrictions applicable to the Stock.

13.6 Minimum Vesting Requirements. Except in the case of substitute Awards granted pursuant to Section 13.11, Awards granted under the Plan to an Eligible Participant shall be subject to a minimum vesting period of one year (subject to automatic acceleration of vesting only in the event of death or disability of the Participant as provided in Section 13.7 and a Change in Control as provided in Section 13.8). Notwithstanding the foregoing, the Committee may grant Awards without the above-described minimum vesting requirement with respect to Awards covering 5% or fewer of the total number of Shares authorized under the Plan.

13.7 Acceleration Upon Death or Disability. Except as otherwise provided in the Award Certificate or any special Plan document or separate agreement with a Participant governing an Award, upon the termination of a person's Continuous Service by reason of death or Disability:

- (a) all of that Participant's outstanding Options and SARs shall become fully exercisable;
- (b) all time-based vesting restrictions on that Participant's outstanding Awards shall lapse as of the date of termination; and

(c) the target payout opportunities attainable under all of such Participant's outstanding performance-based Awards shall be deemed to have been fully earned as of the date of termination based upon: (i) an assumed achievement of all relevant performance goals at the "target" level if the date of termination occurs during the first half of the applicable performance period; or (ii) the actual level of achievement of all relevant performance goals against target, if the date of termination occurs during the second half of the applicable performance period, and, in either such case, there shall be a pro rata payout to the Participant or his or her estate within 30 days following the date of termination (unless a later date is required by Section 16.3) based upon the length of time within the performance period that has elapsed prior to the date of termination. Any Awards shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Certificate.

To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Code Section 422(d), the excess Options shall be deemed to be Nonstatutory Stock Options.

13.8 Effect of a Change in Control.

(a) Awards Assumed or Substituted by Surviving Entity. With respect to Awards assumed by the Surviving Entity or otherwise equitably converted or substituted in connection with a Change in Control, and unless otherwise provided in an Award Certificate or a special Plan document governing an Award, if within two years after the effective date of the Change in Control, a Participant's employment is terminated without Cause or the Participant resigns for Good Reason, then: (i) all of that Participant's outstanding Options or SARs shall become fully exercisable; (ii) all time-based vesting restrictions on the his or her outstanding Awards shall lapse; and (iii) the target payout opportunities attainable under all outstanding of that Participant's performance-based Awards shall be deemed to have been fully earned as of the date of termination based upon (A) an assumed achievement of all relevant performance goals at the "target" level if the date of termination occurs during the first half of the applicable performance period, or (B) the actual level of achievement of all relevant performance goals against target, if the date of termination occurs during the second half of the applicable performance period, and, in either such case, there shall be prorata payout to such Participant within 30 days following the date of termination of employment (unless a later date is required by Section 16.3) based upon the length of time within the performance period that has elapsed prior to the date of termination of employment. With regard to each Award, a Participant shall not be considered to have resigned for Good Reason unless either: (i) the Award Certificate includes such provision; or (ii) the Participant is party to an employment, severance or similar agreement with the Company or an Affiliate that includes provisions in which the Participant is permitted to resign for Good Reason. Any Options or SARs shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Certificate. To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Code Section 422(d), the excess Options shall be deemed to be Nonstatutory Stock Options.

(b) Awards not Assumed or Substituted by Surviving Entity. Upon the occurrence of a Change in Control, and except with respect to any Awards assumed by the Surviving Entity or otherwise equitably converted or substituted in connection with the Change in Control in a manner approved by the Committee or the Board, and unless otherwise provided in an Award Certificate or a special Plan document governing an Award: (i) outstanding Options or SARs shall become fully exercisable; (ii) time-based vesting restrictions on outstanding Awards shall lapse; and (iii) the target payout opportunities attainable under outstanding performance-based Awards shall be deemed to have been fully earned as of the effective date of the Change in Control based upon (A) an assumed achievement of all relevant performance goals at the “target” level if the Change in Control occurs during the first half of the applicable performance period, or (B) the actual level of achievement of all relevant performance goals against target, if the Change in Control occurs during the second half of the applicable performance period, and, in either such case, there shall be prorata payout to Participants within 30 days following the Change in Control (unless a later date is required by Section 16.3) based upon the length of time within the performance period that has elapsed prior to the Change in Control. Any Options or SARs shall thereafter continue or lapse in accordance with the other provisions of the Plan and the Award Certificate. To the extent that this provision causes Incentive Stock Options to exceed the dollar limitation set forth in Code Section 422(d), the excess Options shall be deemed to be Nonstatutory Stock Options.

13.9 Discretion to Accelerate Awards. Regardless of whether an event has occurred as described in Section 13.7 or Section 13.8 above, the Committee may in its sole discretion determine that, upon the termination of service of a Participant for any reason, all or a portion of such Participant’s Options or SARs shall become fully or partially exercisable, that all or a part of the restrictions on all or a portion of the Participant’s outstanding Awards shall lapse, and/or that any performance-based criteria with respect to any Awards held by that Participant shall be deemed to be wholly or partially satisfied, in each case, as of such date as the Committee may, in its sole discretion, declare. The Committee may discriminate among Participants and among Awards granted to a Participant in exercising its discretion pursuant to this Section 13.9.

13.10 Forfeiture Events. Awards under the Plan 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. In addition, the Committee may specify in an Award Certificate that the Participant’s rights, payments and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to: (i) termination of employment for cause; (ii) violation of material Company or Affiliate policies; (iii) breach of noncompetition, confidentiality or other restrictive covenants that may apply to the Participant; (iv) other conduct by the Participant that is detrimental to the business or reputation of the Company or any Affiliate; or (v) a later determination that the vesting of, or amount realized from, a Performance Award was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, whether or not the Participant caused or contributed to such material inaccuracy.

13.11 Substitute Awards. The Committee may grant Awards under the Plan in substitution for stock and stock-based awards held by employees of another entity who become employees of the Company or an Affiliate as a result of a merger or consolidation of the former employing entity with the Company or an Affiliate or the acquisition by the Company or an Affiliate of property or stock of the former employing corporation. The Committee may direct that the substitute awards be granted on such terms and conditions as the Committee considers appropriate in the circumstances.

SECTION 14 CHANGES IN CAPITAL STRUCTURE

14.1 Mandatory Adjustment. In the event of a nonreciprocal transaction between the Company and its stockholders that causes the per-share value of the Stock to change (including, without limitation, any stock dividend, stock split, spin-off, rights offering, or large nonrecurring cash dividend), the authorization limits under Section 5.1 shall be adjusted proportionately, and the Committee shall make such adjustments to the Plan and Awards as it deems necessary, in its sole discretion, to prevent dilution or enlargement of rights immediately resulting from such transaction. Action by the Committee may include: (i) adjustment of the number and kind of shares that may be delivered under the Plan; (ii) adjustment of the number and kind of shares subject to outstanding Awards; (iii) adjustment of the exercise price of outstanding Awards or the measure to be used to determine the amount of the benefit payable on an Award; and (iv) any other adjustments that the Committee determines to be equitable. Notwithstanding the foregoing, the Committee shall not make any adjustments to outstanding Options or SARs that would constitute a modification or substitution of the stock right under Treas. Reg. Sections 1.409A-1(b)(5)(v) that would be treated as the grant of a new stock right or change in the form of payment for purposes of Code Section 409A. Without limiting the foregoing, in the event of a subdivision of the outstanding Stock (stock-split), a declaration of a dividend payable in Shares, or a combination or consolidation of the outstanding Stock into a lesser number of Shares, the authorization limits under Section 5.1 shall automatically be adjusted proportionately, and the Shares then subject to each Award shall automatically, without the necessity for any additional action by the Committee, be adjusted proportionately without any change in the aggregate purchase price therefor.

14.2 Discretionary Adjustments. Upon the occurrence or in anticipation of any corporate event or transaction involving the Company (including, without limitation, any merger, reorganization, recapitalization, combination or exchange of shares, or any transaction described in Section 14.1), the Committee may, in its sole discretion, provide: (i) that Awards will be settled in cash rather than Stock; (ii) that Awards will become immediately vested and non-forfeitable and exercisable (in whole or in part) and will expire after a designated period of time to the extent not then exercised; (iii) that Awards will be assumed by another party to a transaction or otherwise be equitably converted or substituted in connection with such transaction; (iv) that outstanding Awards may be settled by payment in cash or cash equivalents equal to the excess of the Fair Market Value of the underlying Stock, as of a specified date associated with the transaction, over the exercise or base price of the Award; (v) that performance targets and performance periods for Performance Awards will be modified; or (vi) any combination of the foregoing. The Committee's determination need not be uniform and may be different for different Participants whether or not such Participants are similarly situated.

14.3 General. Any discretionary adjustments made pursuant to this Section 14 shall be subject to the provisions of Section 15.2. To the extent that any adjustments made pursuant to this Section 14 cause Incentive Stock Options to cease to qualify as Incentive Stock Options, such Options shall be deemed to be Nonstatutory Stock Options.

SECTION 15 AMENDMENT, MODIFICATION AND TERMINATION

15.1 Amendment, Modification and Termination. The Board or the Committee may, at any time and from time to time, amend, modify or terminate the Plan without stockholder approval; provided, however, that if an amendment to the Plan would, in the reasonable opinion of the Board or the Committee, either: (i) materially increase the number of Shares available under the Plan; (ii) expand the types of awards under the Plan; (iii) materially expand the class of participants eligible to participate in the Plan; (iv) materially extend the term of the Plan; or (v) otherwise constitute a material change requiring stockholder approval under applicable laws, policies or regulations or the applicable listing or other requirements of an Exchange, then such amendment shall be subject to stockholder approval; and provided, further, that the Board or Committee may condition any other amendment or modification on the approval of stockholders of the Company for any reason, including by reason of such approval being necessary or deemed advisable: (i) to comply with the listing or other requirements of an Exchange; or (ii) to satisfy any other tax, securities or other applicable laws, policies or regulations. Without the prior approval of the stockholders of the Company, the Plan may not be amended to permit: (i) the exercise price or base price of an Option or SAR to be reduced, directly or indirectly; (ii) an Option or SAR to be cancelled in exchange for cash, other Awards, or Options or SARs with an exercise or base price that is less than the exercise price or base price of the original Option or SAR; or (iii) the Company to repurchase an Option or SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option or SAR is lower than the exercise price or base price per share of the Option or SAR.

15.2 Awards Previously Granted. At any time and from time to time, the Committee may amend, modify or terminate any outstanding Award without approval of the Participant; provided, however:

(a) Subject to the terms of the applicable Award Certificate, such amendment, modification or termination shall not, without the Participant's consent, reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment or termination (with the per-share value of an Option or SAR for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment or termination over the exercise or base price of such Award);

(b) The original term of an Option or SAR may not be extended without the prior approval of the stockholders of the Company;

(c) Except as otherwise provided in Section 14.1, without the prior approval of the stockholders of the Company, (i) the exercise price of an Option or base price of a SAR may not be reduced, directly or indirectly, (ii) an option or SAR may not be cancelled in exchange for cash, other Awards or Options or SARs with an exercise or base price that is less than the exercise price or base price of the original Option or SAR, or otherwise, and (iii) the Company may not repurchase an Option or SAR for value (in cash or otherwise) from a Participant if the current Fair Market Value of the Shares underlying the Option or SAR is lower than the exercise price or base price per share of the Option or SAR; and

(d) No termination, amendment, or modification of the Plan shall materially and adversely affect any Award previously granted under the Plan, without the written consent of the Participant affected thereby. An outstanding Award shall not be deemed to be "adversely affected" by a Plan amendment if such amendment would not reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment (with the per-share value of an Option or SAR for this purpose being calculated as the excess, if any, of the Fair Market Value as of the date of such amendment over the exercise or base price of such Award).

15.3 Compliance Amendments. Notwithstanding anything in the Plan or in any Award Certificate to the contrary, the Board may amend the Plan or an Award Certificate, to take effect retroactively or otherwise, as deemed necessary or advisable for the purpose of conforming the Plan or Award Certificate to any present or future law relating to plans of this or similar nature (including, but not limited to, Section 409A of the Code), and to the administrative regulations and rulings promulgated thereunder. By accepting an Award under this Plan, a Participant agrees to any amendment made pursuant to this Section 15.3 to any Award granted under the Plan without further consideration or action.

SECTION 16 GENERAL PROVISIONS

16.1 Rights of Participants.

(a) No Participant or any Eligible Participant shall have any claim to be granted any Award under the Plan. Neither the Company, its Affiliates nor the Committee is obligated to treat Participants or Eligible Participants uniformly, and determinations made under the Plan may be made by the Committee selectively among Eligible Participants who receive, or are eligible to receive, Awards (whether or not such Eligible Participants are similarly situated).

(b) Nothing in the Plan, any Award Certificate or any other document or statement made with respect to the Plan, shall interfere with or limit in any way the right of the Company or any Affiliate to terminate any Participant's employment or status as an officer, or any Participant's service as a director or consultant, at any time, nor confer upon any Participant any right to continue as an employee, officer, director or consultant of the Company or any Affiliate, whether for the duration of a Participant's Award or otherwise.

(c) Neither an Award nor any benefits arising under this Plan shall constitute an employment contract with the Company or any Affiliate and, accordingly, subject to Section 15, this Plan and the benefits hereunder may be terminated at any time in the sole and exclusive discretion of the Committee without giving rise to any liability on the part of the Company or any of its Affiliates.

(d) No Award gives a Participant any of the rights of a stockholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

16.2 Withholding. The Company or any Affiliate shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company or such Affiliate, an amount sufficient to satisfy federal, state, and local taxes (including the Participant's FICA obligation) required by law to be withheld with respect to any exercise, lapse of restriction or other taxable event arising as a result of the Plan. The obligations of the Company under the Plan will be conditioned on such payment or arrangements and the Company or such Affiliate will, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant. Unless otherwise determined by the Committee at the time the Award is granted or thereafter, any such withholding requirement may be satisfied, in whole or in part, by withholding from the Award Shares having a Fair Market Value on the date of withholding equal to the amount required to be withheld in accordance with applicable tax requirements (up to the maximum individual statutory rate in the applicable jurisdiction as may be permitted under then-current accounting principles to qualify for equity classification), in accordance with such procedures as the Committee establishes. All such elections shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate.

16.3 Special Provisions Related to Section 409A of the Code

(a) General. It is intended that the payments and benefits provided under the Plan and any Award shall either be exempt from the application of, or comply with, the requirements of Section 409A of the Code. The Plan and all Award Certificates shall be construed in a manner that effects such intent. Nevertheless, the tax treatment of the benefits provided under the Plan or any Award is not warranted or guaranteed. Neither the Company, its Affiliates nor their respective directors, officers, employees or advisors (other than in his or her capacity as a Participant) shall be held liable for any taxes, interest, penalties or other monetary amounts owed by any Participant or other taxpayer as a result of the Plan or any Award.

(b) Definitional Restrictions. Notwithstanding anything in the Plan or in any Award Certificate to the contrary, to the extent that any amount or benefit that would constitute non-exempt “deferred compensation” for purposes of Section 409A of the Code (“Non-Exempt Deferred Compensation”) would otherwise be payable or distributable, or a different form of payment (e.g., lump sum or installment) of such Non-Exempt Deferred Compensation would be effected, under the Plan or any Award Certificate by reason of the occurrence of a Change in Control, or the Participant’s Disability or separation from service, such Non-Exempt Deferred Compensation will not be payable or distributable to the Participant, and/or such different form of payment will not be effected, by reason of such circumstance unless the circumstances giving rise to such Change in Control, Disability or separation from service meet any description or definition of “change in control event”, “disability” or “separation from service”, as the case may be, in Section 409A of the Code and applicable regulations (without giving effect to any elective provisions that may be available under such definition). This provision does not prohibit the vesting of any Award upon a Change in Control, Disability or separation from service, however defined. If this provision prevents the payment or distribution of any amount or benefit, or the application of a different form of payment of any amount or benefit, such payment or distribution shall be made at the time and in the form that would have applied absent the Change in Control, Disability or separation from service as applicable.

(c) Allocation among Possible Exemptions. If any one or more Awards granted under the Plan to a Participant could qualify for any separation pay exemption described in Treas. Reg. Section 1.409A-1(b)(9), but such Awards in the aggregate exceed the dollar limit permitted for the separation pay exemptions, the Company shall determine which Awards or portions thereof will be subject to such exemptions.

(d) Six-Month Delay in Certain Circumstances. Notwithstanding anything in the Plan or in any Award Certificate to the contrary, if any amount or benefit that would constitute Non-Exempt Deferred Compensation would otherwise be payable or distributable under this Plan or any Award Certificate by reason of a Participant’s separation from service during a period in which the Participant is a Specified Employee (as defined below), then, subject to any permissible acceleration of payment by the Committee under Treas. Reg. Section 1.409A-3(j)(4)(ii) (domestic relations order), (j)(4)(iii) (conflicts of interest), or (j)(4)(vi) (payment of employment taxes): (i) the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-month period immediately following the Participant’s separation from service will be accumulated through and paid or provided on the first day of the seventh month following the Participant’s separation from service (or, if the Participant dies during such period, within 30 days after the Participant’s death) (in either case, the “**Required Delay Period**”); and (ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period. For purposes of this Plan, the term “Specified Employee” has the meaning given such term in Code Section 409A and the final regulations thereunder.

(e) Installment Payments. If, pursuant to an Award, a Participant is entitled to a series of installment payments, such Participant’s right to the series of installment payments shall be treated as a right to a series of separate payments and not to a single payment. For purposes of the preceding sentence, the term “series of installment payments” has the meaning provided in Treas. Reg. Section 1.409A-2(b)(2)(iii) (or any successor thereto).

(f) Timing of Release of Claims. Whenever an Award conditions a payment or benefit on the Participant’s execution and non-revocation of a release of claims, such release must be executed and all revocation periods shall have expired within 60 days after the date of termination of the Participant’s employment; failing which such payment or benefit shall be forfeited. If such payment or benefit is exempt from Section 409A of the Code, the Company may elect to make or commence payment at any time during such 60-day period. If such payment or benefit constitutes Non-Exempt Deferred Compensation, then, subject to subsection (c) above, (i) if such 60-day period begins and ends in a single calendar year, the Company may make or commence payment at any time during such period at its discretion, and (ii) if such 60-day period begins in one calendar year and ends in the next calendar year, the payment shall be made or commence during the second such calendar year (or any later date specified for such payment under the applicable Award), even if such signing and non-revocation of the release occur during the first such calendar year included within such 60-day period. In other words, a Participant is not permitted to influence the calendar year of payment based on the timing of signing the release.

(g) Permitted Acceleration. The Company shall have the sole authority to make any accelerated distribution permissible under Treas. Reg. Section 1.409A-3(j)(4) to Participants of deferred amounts, provided that such distribution(s) meets the requirements of Treas. Reg. Section 1.409A-3(j)(4).

16.4 Unfunded Status of Awards. The Plan is intended to be an “unfunded” plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Certificate shall give the Participant any rights that are greater than those of a general creditor of the Company or any Affiliate. In its sole discretion, the Committee may authorize the creation of grantor trusts or other arrangements to meet the obligations created under the Plan to deliver Shares or payments in lieu of Shares or with respect to Awards. This Plan is not intended to be subject to ERISA.

16.5 Relationship to Other Benefits. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or benefit plan of the Company or any Affiliate unless provided otherwise in such other plan. Nothing contained in the Plan will prevent the Company from adopting other or additional compensation arrangements, subject to stockholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

16.6 Expenses. The expenses of administering the Plan shall be borne by the Company and its Affiliates.

16.7 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

16.8 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural.

16.9 Fractional Shares. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down.

16.10 Government and Other Regulations.

(a) Notwithstanding any other provision of the Plan, no Participant who acquires Shares pursuant to the Plan may, during any period of time that such Participant is an affiliate of the Company (within the meaning of the rules and regulations of the Securities and Exchange Commission under the 1933 Act), sell such Shares, unless such offer and sale is made: (i) pursuant to an effective registration statement under the 1933 Act, which is current and includes the Shares to be sold; or (ii) pursuant to an appropriate exemption from the registration requirement of the 1933 Act, such as that set forth in Rule 144 promulgated under the 1933 Act.

(b) Notwithstanding any other provision of the Plan, if at any time the Committee shall determine that the registration, listing or qualification of the Shares covered by an Award upon any Exchange or under any foreign, federal, state or local law or practice, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the granting of such Award or the purchase or receipt of Shares thereunder, no Shares may be purchased, delivered or received pursuant to such Award unless and until such registration, listing, qualification, consent or approval shall have been effected or obtained free of any condition not acceptable to the Committee. Any Participant receiving or purchasing Shares pursuant to an Award shall make such representations and agreements and furnish such information as the Committee may request to assure compliance with the foregoing or any other applicable legal requirements. The Company shall not be required to issue or deliver any certificate or certificates for Shares under the Plan prior to the Committee's determination that all related requirements have been fulfilled. The Company shall in no event be obligated to register any securities pursuant to the 1933 Act or applicable state or foreign law or to take any other action in order to cause the issuance and delivery of such certificates to comply with any such law, regulation or requirement.

16.11 Governing Law. To the extent not governed by federal law, the Plan and all Award Certificates shall be construed in accordance with and governed by the laws of the State of Maryland.

16.12 Severability. In the event that any provision of this Plan is found to be invalid or otherwise unenforceable under any applicable law, such invalidity or unenforceability will not be construed as rendering any other provisions contained herein as invalid or unenforceable, and all such other provisions will be given full force and effect to the same extent as though the invalid or unenforceable provision was not contained herein.

16.13 No Limitations on Rights of Company. The grant of any Award shall not in any way affect the right or power of the Company to make adjustments, reclassification or changes in its capital or business structure or to merge, consolidate, dissolve, liquidate, sell or transfer all or any part of its business or assets. The Plan shall not restrict the authority of the Company, for proper corporate purposes, to draft or assume awards, other than under the Plan, to or with respect to any person. If the Committee so directs, the Company may issue or transfer Shares to an Affiliate, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Affiliate will transfer such Shares to a Participant in accordance with the terms of an Award granted to such Participant and specified by the Committee pursuant to the provisions of the Plan.

[End of Crown Crafts, Inc. Amended and Restated 2021 Incentive Plan]

CROWN CRAFTS, INC.
INCENTIVE STOCK OPTION AWARD CERTIFICATE
(Pursuant to the Crown Crafts, Inc. Amended and Restated 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. Amended and Restated 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:

CROWN CRAFTS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT:

(Signature)

(Printed Name)

[Signature Page to Incentive Stock Option Award Certificate]

CROWN CRAFTS, INC.
NONSTATUTORY STOCK OPTION AWARD CERTIFICATE
(Pursuant to the Crown Crafts, Inc. Amended and Restated 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. Amended and Restated 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.

(c) 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.

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 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.

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 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.

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 this Certificate 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.

[Signature page follows.]

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

COMPANY:

CROWN CRAFTS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT:

(Signature)

(Printed Name)

[Signature Page to Nonstatutory Stock Option Award Certificate]

CROWN CRAFTS, INC.
RESTRICTED STOCK AWARD CERTIFICATE
(Pursuant to the Crown Crafts, Inc. Amended and Restated 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. Amended and Restated 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:

CROWN CRAFTS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT:

(Signature)

(Printed Name)

[Signature Page to Restricted Stock Award Certificate]

CROWN CRAFTS, INC.
PERFORMANCE SHARE AWARD CERTIFICATE

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

THIS PERFORMANCE SHARE 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 a Performance Share Award entitling the Participant to the number of shares of the Company’s Series A common stock, par value \$0.01 per share (the “**Common Stock**”), listed above (the “**Performance Shares**”), pursuant to and subject to the provisions of the Crown Crafts, Inc. Amended and Restated 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 . **Earning Performance Shares.** Subject to Section 6, the Performance Shares shall be earned by the Participant and shall be settled in accordance with Section 3 based upon achievement of the following stock price hurdles prior to the _____ anniversary of the Grant Date set forth above (the “**Expiration Date**”):

- (a) _____ of the Performance Shares shall be earned by the Participant if the Closing Price of the Common Stock equals or exceeds _____ dollars (\$____) on ____ (____) trading days within any period of ____ (____) consecutive trading days, provided that the Participant has remained in Continuous Service through the date on which such stock price hurdle is achieved [.] [and
- (b) _____ of the Performance Shares shall be earned by the Participant if the Closing Price of the Common Stock equals or exceeds _____ dollars (\$____) on ____ (____) trading days within any period of ____ (____) consecutive trading days, provided that the Participant has remained in continuous Service through the date on which such stock price hurdle is achieved.]

Any Performance Shares that have not been earned prior to the Expiration Date shall be forfeited by the Participant as of the Expiration Date. Any Performance Shares that have not been earned prior to the date of the termination of the Participant’s Continuous Service shall be forfeited by the Participant as of such date, including by reason of the Participant’s death or Disability. For the avoidance of doubt, if the stock appreciation targets are reached simultaneously, all of the Performance Shares shall be earned by the Participant. Once an applicable stock price hurdle has been achieved, a subsequent decline in the value of the Common Stock shall not negate the achievement of that hurdle.

For purposes of this Agreement, “**Closing Price**” means the closing price of the Common Stock on the NASDAQ Stock Market on the date on which Closing Price is being determined. If the shares are not then listed on the NASDAQ Stock Market, and if the shares of Common Stock are then listed on any other national securities exchange or traded on the over-the-counter market, the closing price value shall be the closing price on the largest such exchange, or if the closing price is not available, the mean of the closing bid and asked prices of the shares of Common Stock on the over-the-counter market, as reported by NASDAQ, the National Association of Securities Dealers OTC Bulletin Board or the National Quotation Bureau, Inc., as the case may be, on the day on which the determination is made. If the Closing Price cannot be determined pursuant to the above methodology, Closing Price shall equal the fair market value of Common Stock as determined in good faith by the Committee.

Without limiting the provisions of Section 14 of the Plan, in the event the Company pays a stock dividend or reclassifies, divides or combines the Common Stock, then an appropriate adjustment shall be made to the number of Performance Shares and the Closing Price hurdles.

3 . **Settlement of Performance Shares.** As soon as practicable after any Performance Shares have been earned pursuant to Section 2 upon achievement of an applicable stock price hurdle, such Performance Shares shall be settled as follows:

- (a) One-third of the Performance Shares that are earned shall be settled through the issuance of non-forfeitable Shares that shall not be subject to the restrictions set forth in Section 4; provided, however, that if any Performance Shares are earned prior to the first anniversary of the Grant Date, such Performance Shares shall be settled through the issuance of Restricted Shares, which shall vest in accordance with Section 5.
- (b) Two-thirds of the Performance Shares that are earned shall be settled through the issuance of Restricted Shares, which shall vest in accordance with Section 5.

4 . **Restrictions. "Restricted Shares"** means shares of Common Stock 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. Prior to the applicable date set forth in Section 5, if the Participant's Continuous Service is terminated for any reason other than as set forth in Section 5(c) 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 4 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.

5 . **Vesting and Termination of Restrictions.** Subject to Section 6, the Restricted Shares shall vest (and become non-forfeitable) and the restrictions imposed under Section 4 of this Certificate shall lapse on the earliest to occur of the following (such date being referred to herein as the "**Vesting Date**," and the period prior to the Vesting Date being referred to herein as the "**Restricted Period**"):

- (a) As to any Restricted Shares issued pursuant to Section 3(a), the Vesting Date shall be the first anniversary of the Grant Date, provided that the Participant has remained in Continuous Service through such Vesting Date;
- (b) As to any Restricted Shares issued pursuant to Section 3(b), 50% of such Restricted Shares shall vest upon each of the first and second anniversaries of the date such Restricted Shares were earned pursuant to Section 2, provided the Participant has remained in Continuous Service through the applicable Vesting Date; and
- (c) 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.

6. **Change in Control.** Notwithstanding any provision of this Agreement to the contrary, in the event a Change in Control occurs prior to the Expiration Date, (i) any Performance Shares that have not been earned pursuant to Section 2 shall be deemed to have been earned and shall be settled in non-forfeitable Shares, and (ii) any Restricted Shares that have not previously vested shall vest (and become non-forfeitable), and the restrictions imposed under Section 4 of this Certificate shall lapse and the Restricted Period shall be deemed to have ended.

7. **Delivery of Restricted Shares.** The Restricted Shares shall be delivered to the Participant 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.

8. **Voting Rights.** Prior to the issuance of Shares or Restricted Shares, the Participant shall have no voting rights with respect to the Performance Shares subject to this Certificate. Upon the issuance of Restricted Shares, the Participant, as beneficial owner of the Shares, shall have full voting rights with respect to the Restricted Shares during and after the Restricted Period, unless and until forfeited pursuant to this Certificate.

9. **Dividend Rights.** Prior to the issuance of non-forfeitable Shares or Restricted Shares, the Participant shall have no dividend rights with respect to the Performance Shares subject to the Certificate. Upon the issuance of Restricted Shares, 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 4 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 4 of this Certificate lapse.

10. **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 Restricted Shares issued pursuant to this Certificate. Any such election must be made within thirty days after the date on which such Restricted Shares are issued. 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.

11. **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.

12. **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.

13. **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 Award as of the Grant Date. The Participant understands, agrees and accepts that the Committee's interpretation of the Plan, the Award of Performance Shares 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.

14. **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.

15. **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.

16. **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.

17. **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.

18. **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.

19. **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:

CROWN CRAFTS, INC.

By: _____
Name: _____
Title: _____

PARTICIPANT:

(Signature)

(Printed Name)

[Signature Page to Restricted Stock Award Certificate]

CERTIFICATION

I, Olivia W. Elliott, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crown Crafts, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent 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.

Date: August 12, 2026

/s/ Olivia W. Elliott
Olivia W. Elliott,
President and Chief Executive Officer,
Crown Crafts, Inc.

CERTIFICATION

I, Claire K. Spencer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Crown Crafts, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent 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.

Date: August 12, 2026

/s/ Claire K. Spencer

Claire K. Spencer,
Vice President and Chief Financial Officer,
Crown Crafts, Inc.

SECTION 1350 CERTIFICATION

I, Olivia W. Elliott, the President and Chief Executive Officer of Crown Crafts, Inc. (the “Company”), do hereby certify, in accordance with 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the period ended June 28, 2026 (the “Periodic Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 12, 2026

/s/ Olivia W. Elliott

Olivia W. Elliott,
President and Chief Executive Officer,
Crown Crafts, Inc.

SECTION 1350 CERTIFICATION

I, Claire K. Spencer, a Vice President and the Chief Financial Officer of Crown Crafts, Inc. (the “Company”), do hereby certify, in accordance with 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the period ended June 28, 2026 (the “Periodic Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 12, 2026

/s/ Claire K. Spencer

Claire K. Spencer,
Vice President and Chief Financial Officer,
Crown Crafts, Inc.