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

Form 10-Q

(Mark One)

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended August 1, 2026

or

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from________________ **to** ______________

Commission File Number: **0-21360**

Shoe Station Group, Inc.
(Exact name of registrant as specified in its charter)

Indiana	**35-1736614**
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification Number)*
1800 Innovation Point, 5th Floor Fort Mill, SC	**29715**
(Address of principal executive offices)	*(Zip code)*

(803) 650-4600
(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	SHOE	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

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

☐ Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company

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

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Number of Shares of Common Stock, par value $0.01 per share, outstanding at September 4, 2026 was 27,183,815.

SHOE STATION GROUP, INC.
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Cautionary Statement Regarding Forward-Looking Information

This report on Form 10-Q for the period ended August 1, 2026 ("Quarterly Report") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the federal securities laws, such as those under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Risk Factors," which statements involve a number of risks and uncertainties. These forward-looking statements necessarily depend upon assumptions, estimates, data and dates that may be incorrect or imprecise and involve known and unknown risks, uncertainties, and other factors. Accordingly, any forward-looking statements included in this Quarterly Report do not purport to be predictions of future events or circumstances and may not be realized. Forward-looking statements can be identified by, among other things, the use of forward-looking terms such as "believes," "expects," "aims," "on track," "may," "will," "should," "seeks," "pro forma," "anticipates," "intends" or the negative of any of these terms, or comparable terminology, or by discussions of strategy, plans or intentions. A number of factors could cause our actual results, performance, achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements in this Quarterly Report. These factors include, but are not limited to:

- our ability to achieve expected operating results and sales growth from our current multi-banner strategy, expected inventory management, store growth, and cost savings;
- our ability to increase sales at our existing stores;
- the impact of intense competition and our ability to effectively compete;
- the impact of changes in consumer spending on our business and the impact of our promotional strategies and intensity;
- our ability to successfully manage and execute our marketing and pricing strategies;
- the impact of higher gasoline and energy prices on discretionary spending and our cost of operations;
- our dependence on key suppliers for merchandise and advertising support, and the impact of any loss of any key suppliers;
- the impact of changes in the cost, or a disruption in the flow, of imported goods as a result of trade policy and/or tariffs;
- our ability to manage other risks related to our reliance on imported goods;
- our ability to anticipate, identify and respond to emerging fashion trends;
- our ability to effectively manage our real estate portfolio;
- our ability to manage the risks associated with our e-commerce platform and its impact on traffic and transactions in our physical stores;
- our ability to maintain positive brand perception and recognition;
- our ability to maintain, grow and generate sales from members of our Shoe Perks loyalty program;
- our ability to successfully execute our strategies to grow our business;
- our ability to identify or consummate future acquisitions or achieve expected benefits from and effectively integrate future acquisitions;
- the internal and external impact of a failure of our information technology systems to operate effectively, or in the event such systems are disrupted or compromised;
- our ability to manage the risks associated with our outsourced business processes and other third-party business relationships, including disruptions to our business and increased costs;
- our ability to adapt to emerging technologies that may create disruption to our operations and the retail industry;
- our ability to manage, and the impact of, fluctuating quarterly operating results due to seasonality, weather conditions and other factors;
- the impact of any physical and financial risk related to the uncertainty of climate change;
- the impact of natural disasters, public health crises, political crises, civil unrest, wars and other catastrophic events or other events outside of our control on our facilities or the facilities of third parties on which we depend, as well as on our supply chain and access to customers;
- the impact of litigation and reputational risk resulting from a failure to protect the integrity and security of individually identifiable data of our customers and employees, including as a result of a cybersecurity breach;
- the impact of losses or liabilities in excess of our insurance coverage;
- the impact of periodic litigation and other regulatory proceedings, which could result in the unexpected expenditure of time and resources;
- our ability to manage key executive succession and retention, and attract and retain qualified personnel and control labor costs;
- our ability to generate and maintain cash flow and capital necessary to implement our business strategy and meet our other liquidity needs;
- the impact of financial market volatility on the sources and costs of financing available to us;
- the impact of significant non-cash impairment charges in the event our long-lived assets become impaired;
- the impact of the loss of investor confidence in our financial reports and adverse effect on our stock price if we fail to maintain effective internal control over financial reporting;
- the impact of perceptions of the overall retail industry and other macroeconomic conditions on our business and stock;

- the impact and risk of volatility in the stock market and our stock;
- the impact of any changes to our dividend policy or stock repurchase program;
- the impact of any influence over our management and operations exerted by our principal shareholders;
- the impact of our organizational documents and Indiana law on potential acquisition bids for us; and
- other factors described in the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended January 31, 2026, and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report.

We caution you that the foregoing list may not contain all of the factors that may impact our forward-looking statements made in this report.

You should not place undue reliance on our forward-looking statements as predictions of future events. We have based the forward-looking statements upon information available to us as of the date of this Quarterly Report and on our current expectations and projections about future events and trends that we believe may affect our business, operating results, financial condition and prospects. While we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this report. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

Neither we nor any other person assumes responsibility for the ultimate outcome of any of these forward-looking statements. Moreover, the forward-looking statements made in this Quarterly Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report to reflect events or circumstances after the date of this Quarterly Report or to reflect new information or the occurrence of unanticipated events, except as required by law.

Certain Definitions

References to "we," "us," "our," and the "Company" in this Quarterly Report refer to Shoe Station Group, Inc. and its subsidiaries. References to "Shoe Station" and "Shoe Carnival" in this Quarterly Report are to the individual store banners, not to our entire Company. References to the "SEC" refer to the United States Securities and Exchange Commission.

SHOE STATION GROUP, INC.
PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SHOE STATION GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited

(In thousands, except share data)	August 1, 2026	January 31, 2026	August 2, 2025
Assets			
Current Assets:			
Cash and cash equivalents	$ 118,012	$ 117,091	$ 78,719
Marketable securities	13,630	13,636	13,198
Accounts receivable	6,267	6,370	8,457
Merchandise inventories	426,623	439,638	449,005
Other	26,178	19,402	24,689
Total Current Assets	590,710	596,137	574,068
Property and equipment – net	173,265	185,610	181,324
Operating lease right-of-use assets	334,247	349,582	338,950
Intangible assets	40,900	40,923	40,945
Goodwill	18,018	18,018	18,018
Other noncurrent assets	10,481	11,473	11,948
Total Assets	$ 1,167,621	$ 1,201,743	$ 1,165,253
Liabilities and Shareholders' Equity			
Current Liabilities:			
Accounts payable	$ 72,222	$ 79,170	$ 68,662
Accrued and other liabilities	23,026	21,199	29,912
Current portion of operating lease liabilities	50,910	58,057	57,889
Total Current Liabilities	146,158	158,426	156,463
Long-term portion of operating lease liabilities	303,692	313,368	303,689
Deferred income taxes	26,832	26,879	23,295
Deferred compensation	13,079	12,114	10,243
Other	1,067	1,290	873
Total Liabilities	490,828	512,077	494,563
Shareholders' Equity:			
Common stock, $0.01 par value, 50,000,000 shares authorized and 41,049,190 shares issued in each period, respectively	410	410	410
Additional paid-in capital	93,418	93,129	89,462
Retained earnings	799,921	808,807	793,517
Treasury stock, at cost, 13,865,375 shares, 13,674,916 shares and 13,676,368 shares, respectively	(216,956)	(212,680)	(212,699)
Total Shareholders' Equity	676,793	689,666	670,690
Total Liabilities and Shareholders' Equity	$ 1,167,621	$ 1,201,743	$ 1,165,253

See notes to Condensed Consolidated Financial Statements.

SHOE STATION GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Unaudited

(In thousands, except per share data)	Thirteen Weeks Ended August 1, 2026	Thirteen Weeks Ended August 2, 2025	Twenty-six Weeks Ended August 1, 2026	Twenty-six Weeks Ended August 2, 2025
Net sales	$ 284,309	$ 306,388	$ 555,039	$ 584,103
Cost of sales (including buying, distribution and occupancy costs)	193,698	187,580	374,327	369,518
Gross profit	90,611	118,808	180,712	214,585
Selling, general and administrative expenses	82,996	93,580	179,134	177,392
Operating income	7,615	25,228	1,578	37,193
Interest income	(1,011)	(782)	(2,073)	(1,885)
Interest expense	90	77	175	155
Income before income taxes	8,536	25,933	3,476	38,923
Income tax expense	2,277	6,708	2,845	10,355
Net income	$ 6,259	$ 19,225	$ 631	$ 28,568
Net income per share:				
Basic	$ 0.23	$ 0.70	$ 0.02	$ 1.05
Diluted	$ 0.23	$ 0.70	$ 0.02	$ 1.04
Weighted average shares:				
Basic	27,155	27,339	27,271	27,286
Diluted	27,315	27,455	27,480	27,470

See notes to Condensed Consolidated Financial Statements.

SHOE STATION GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Unaudited

	Thirteen Weeks Ended						
	Common Stock			Additional			
(In thousands, except per share data)	Issued	Treasury	Amount	Paid-In Capital	Retained Earnings	Treasury Stock	Total
Balance at May 2, 2026	41,049	(13,898)	$ 410	$ 92,082	$ 798,371	$ (217,463)	$ 673,400
Dividends declared ($0.17 per share)					(4,709)		(4,709)
Employee stock purchase plan purchases		4		(12)		64	52
Stock-based compensation awards		30		(470)		470	0
Shares surrendered by employees to pay taxes on stock-based compensation awards		(1)				(27)	(27)
Stock-based compensation expense				1,818			1,818
Net income					6,259		6,259
Balance at August 1, 2026	41,049	(13,865)	$ 410	$ 93,418	$ 799,921	$ (216,956)	$ 676,793
Balance at May 3, 2025	41,049	(13,713)	$ 410	$ 87,921	$ 778,517	$ (213,267)	$ 653,581
Dividends declared ($0.15 per share)					(4,225)		(4,225)
Employee stock purchase plan purchases		3		1		48	49
Stock-based compensation awards		36		(560)		560	0
Shares surrendered by employees to pay taxes on stock-based compensation awards		(2)				(40)	(40)
Stock-based compensation expense				2,100			2,100
Net income					19,225		19,225
Balance at August 2, 2025	41,049	(13,676)	$ 410	$ 89,462	$ 793,517	$ (212,699)	$ 670,690

	Twenty-six Weeks Ended						
	Common Stock			Additional			
(In thousands, except per share data)	Issued	Treasury	Amount	Paid-In Capital	Retained Earnings	Treasury Stock	Total
Balance at January 31, 2026	41,049	(13,675)	$ 410	$ 93,129	$ 808,807	$ (212,680)	$ 689,666
Dividends declared ($0.34 per share)					(9,517)		(9,517)
Employee stock purchase plan purchases		8		(20)		118	98
Stock-based compensation awards		313		(4,882)		4,882	0
Shares surrendered by employees to pay taxes on stock-based compensation awards		(121)				(2,274)	(2,274)
Purchase of common stock for treasury		(390)				(7,002)	(7,002)
Stock-based compensation expense				5,191			5,191
Net income					631		631
Balance at August 1, 2026	41,049	(13,865)	$ 410	$ 93,418	$ 799,921	$ (216,956)	$ 676,793
Balance at February 1, 2025	41,049	(13,875)	$ 410	$ 90,371	$ 773,353	$ (215,138)	$ 648,996
Dividends declared ($0.30 per share)					(8,404)		(8,404)
Employee stock purchase plan purchases		6		9		88	97
Stock-based compensation awards		294		(4,564)		4,564	0
Shares surrendered by employees to pay taxes on stock-based compensation awards		(101)				(2,213)	(2,213)
Stock-based compensation expense				3,646			3,646
Net income					28,568		28,568
Balance at August 2, 2025	41,049	(13,676)	$ 410	$ 89,462	$ 793,517	$ (212,699)	$ 670,690

See notes to Condensed Consolidated Financial Statements.

SHOE STATION GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited

(In thousands)	Twenty-six Weeks Ended August 1, 2026	Twenty-six Weeks Ended August 2, 2025
Cash Flows From Operating Activities		
Net income	$ 631	$ 28,568
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	17,444	16,760
Stock-based compensation	5,191	3,646
Loss on retirement and impairment of assets, net	9,008	1,097
Deferred income taxes	(47)	4,416
Non-cash operating lease expense	26,385	30,660
Other	237	240
Changes in operating assets and liabilities:		
Accounts receivable	102	560
Merchandise inventories	13,015	(63,400)
Operating leases	(27,871)	(32,473)
Accounts payable and accrued liabilities	(1,966)	22,508
Other	(7,997)	(8,960)
Net cash provided by operating activities	34,132	3,622
Cash Flows From Investing Activities		
Purchases of property and equipment	(14,954)	(24,408)
Investments in marketable securities	(38)	(1,498)
Sales of marketable securities	600	2,970
Net cash used in investing activities	(14,392)	(22,936)
Cash Flows From Financing Activities		
Proceeds from issuance of stock	98	97
Dividends paid	(9,633)	(8,531)
Purchase of common stock for treasury	(7,002)	0
Shares surrendered by employees to pay taxes on stock-based compensation awards	(2,274)	(2,213)
Other	(8)	0
Net cash used in financing activities	(18,819)	(10,647)
Net increase (decrease) in cash and cash equivalents	921	(29,961)
Cash and cash equivalents at beginning of period	117,091	108,680
Cash and cash equivalents at end of period	$ 118,012	$ 78,719
Supplemental disclosures of cash flow information:		
Capital expenditures incurred but not yet paid	$ 351	$ 1,898
Dividends declared but not yet paid	$ 578	$ 500

See notes to Condensed Consolidated Financial Statements.

SHOE STATION GROUP, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Unaudited

Note 1 – Basis of Presentation

These unaudited Condensed Consolidated Financial Statements include the accounts of Shoe Station Group, Inc. (formerly known as Shoe Carnival, Inc.) and its wholly-owned subsidiaries Rogan Shoes, Incorporated ("Rogan's"), SCHC, Inc. and Shoe Carnival Ventures, LLC, and SCLC, Inc., a wholly-owned subsidiary of SCHC, Inc. (collectively referred to as "we", "our", "us" or the "Company"). All intercompany accounts and transactions have been eliminated. We are one of the nation's largest omnichannel family footwear retailers, selling footwear and related products through our retail stores located in 35 states within the continental United States and in Puerto Rico, as well as through our e-commerce sales channel.

On November 13, 2025, we announced that our Board of Directors (or "Board") unanimously approved changing our corporate name to Shoe Station Group, Inc., which received shareholder approval at our Annual Meeting of Shareholders on June 10, 2026. The name change was effective June 12, 2026. In connection with the name change, the Company's common stock began trading on The Nasdaq Stock Market LLC under the symbol SHOE.

In our opinion, the accompanying unaudited Condensed Consolidated Financial Statements and notes have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial information and contain all normal recurring adjustments necessary to fairly present our financial position and the results of our operations and our cash flows for the periods presented. Certain information and disclosures normally included in the notes to Condensed Consolidated Financial Statements have been condensed or omitted as permitted by the rules and regulations of the SEC although we believe that the disclosures are adequate to make the information presented not misleading. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year. The unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and the notes thereto contained in our Annual Report on Form 10-K for the fiscal year ended January 31, 2026.

Note 2 - CEO Transition and Related Strategic Review

Following the departure of Mark J. Worden from his position as our President and Chief Executive Officer and his resignation from our Board on February 24, 2026, our Board appointed Clifton E. Sifford to serve as our Interim President and Chief Executive Officer. Mr. Sifford continues to also serve as the Vice Chairman of our Board. Mr. Worden's departure was not due to any disagreement with the Company on any matter relating to its operations, policies or practices.

In connection with the CEO transition, payments to Mr. Worden and other related costs incurred, net of accruals for incentive and stock-based compensation as of January 31, 2026, resulted in a charge of $5.3 million during the thirteen weeks ended May 2, 2026. The tax deductibility of the payments made to Mr. Worden was limited by the Internal Revenue Code and increased our income tax expense by approximately $1.6 million. The impact of the payments made to Mr. Worden on our Diluted Net Loss per Share during the thirteen weeks ended May 2, 2026 was $0.20.

Following this CEO transition, we undertook a review of our previously announced rebanner program, under which we were converting Shoe Carnival locations into Shoe Station locations, as well as our broader strategic direction. We completed our review during the thirteen weeks ended May 2, 2026. Decisions regarding our strategic direction resulted in store-level long-lived asset impairments, other Property and Equipment write-offs and other charges totaling approximately $8.3 million, or $0.23 per diluted share during the thirteen weeks ended May 2, 2026.

When combined with the CEO transition costs, these charges increased our Selling, General and Administrative Expenses ("SG&A") during the twenty-six weeks ended August 1, 2026 by $13.6 million and decreased our Net Income and Diluted Net Income per Share by $11.9 million and $0.43, respectively. No additional charges related to the CEO transition and strategic review were incurred during the thirteen weeks ended August 1, 2026.

Note 3 - Net Income Per Share

The following table sets forth the computation of Basic and Diluted Net Income per Share as shown on the face of the accompanying Condensed Consolidated Statements of Income:

	Thirteen Weeks Ended					
	August 1, 2026			August 2, 2025		
	(In thousands, except per share data)					
Basic Net Income per Share:	Net Income	Shares	Per Share Amount	Net Income	Shares	Per Share Amount
Net income available for basic common shares and basic net income per share	$ 6,259	27,155	$ 0.23	$ 19,225	27,339	$ 0.70
Diluted Net Income per Share:						
Net income	$ 6,259			$ 19,225		
Conversion of stock-based compensation arrangements	0	160		0	116	
Net income available for diluted common shares and diluted net income per share	$ 6,259	27,315	$ 0.23	$ 19,225	27,455	$ 0.70

	Twenty-six Weeks Ended					
	August 1, 2026			August 2, 2025		
	(In thousands, except per share data)					
Basic Net Income per Share:	Net Income	Shares	Per Share Amount	Net Income	Shares	Per Share Amount
Net income available for basic common shares and basic net income per share	$ 631	27,271	$ 0.02	$ 28,568	27,286	$ 1.05
Diluted Net Income per Share:						
Net income	$ 631			$ 28,568		
Conversion of stock-based compensation arrangements	0	209		0	184	
Net income available for diluted common shares and diluted net income per share	$ 631	27,480	$ 0.02	$ 28,568	27,470	$ 1.04

The computation of Basic Net Income per Share is based on the weighted average number of common shares outstanding during the period. The computation of Diluted Net Income per Share is based on the weighted average number of shares outstanding plus the dilutive incremental shares that would be outstanding assuming the vesting of stock-based compensation arrangements involving restricted stock, restricted stock units and performance stock units. During the thirteen and twenty-six weeks ended August 1, 2026, approximately 227,000 and 168,000 of unvested stock-based awards, respectively, were excluded from the computation because the impact would have been anti-dilutive. During the thirteen and twenty-six weeks ended August 2, 2025, approximately 10,000 unvested stock-based awards were excluded from the computation of Diluted Net Income per Share because the impact would have been anti-dilutive.

Note 4 - Recently Issued Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The guidance requires new financial statement disclosures in tabular format, disaggregating information about prescribed categories underlying any relevant income statement expense caption. The guidance is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments in the ASU should be applied on a prospective basis, but retrospective application is permitted. We are currently evaluating the impact of this guidance on our Consolidated Financial Statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40). The guidance provides targeted improvements to the accounting for internal-use software. The guidance is effective for fiscal years beginning after December 15, 2027, and interim periods within those annual reporting periods. Early adoption is permitted. The amendments in the ASU can be applied on a prospective transition approach, a modified transition approach that is based on the status of the project and whether software costs were capitalized before the date of adoption, or a retrospective transition approach. We are currently evaluating the impact of this guidance on our Consolidated Financial Statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements. The guidance amends certain requirements related to interim reporting and associated disclosures. The amendments are intended to enhance transparency and consistency of information provided in interim financial statements. We are currently evaluating the provisions of this guidance and the timing of adoption. Based on our preliminary assessment, we do not expect the adoption of this guidance, which is required for periods beginning after December 15, 2027, to have a material impact on our consolidated financial statements and related disclosures.

Note 5 - Fair Value Measurements

Financial Instruments

The following table presents financial instruments that are measured at fair value on a recurring basis at August 1, 2026, January 31, 2026 and August 2, 2025:

	Fair Value Measurements			
(In thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
As of August 1, 2026				
Cash equivalents - money market mutual funds	$ 92,128	$ 0	$ 0	$ 92,128
Marketable securities - mutual funds that fund deferred compensation	13,630	0	0	13,630
Total	$ 105,758	$ 0	$ 0	$ 105,758
As of January 31, 2026				
Cash equivalents - money market mutual funds	$ 109,149	$ 0	$ 0	$ 109,149
Marketable securities - mutual funds that fund deferred compensation	13,636	0	0	13,636
Total	$ 122,785	$ 0	$ 0	$ 122,785
As of August 2, 2025				
Cash equivalents - money market mutual funds	$ 53,882	$ 0	$ 0	$ 53,882
Marketable securities - mutual funds that fund deferred compensation	13,198	0	0	13,198
Total	$ 67,080	$ 0	$ 0	$ 67,080

We invest in publicly traded mutual funds with readily determinable fair values. These Marketable Securities are designed to mitigate volatility in our Consolidated Statements of Income associated with our non-qualified deferred compensation plan. As of August 1, 2026, these Marketable Securities were principally invested in equity-based mutual funds, consistent with the allocation in our deferred compensation plan. To the extent there is a variation in invested funds compared to the total non-qualified deferred compensation plan liability, such fund variance is managed through a stable value mutual fund. We classify these Marketable Securities as current assets because we have the ability to convert the securities into cash at our discretion and these Marketable Securities are not held in a rabbi trust. Changes in these Marketable Securities and deferred compensation plan liabilities are charged to SG&A.

Contingent Consideration

The following table presents liabilities that are measured at fair value on a recurring basis at August 1, 2026, January 31, 2026 and August 2, 2025:

	Fair Value Measurements			
(In thousands)	**Level 1**	**Level 2**	**Level 3**	**Total**
As of August 1, 2026				
Contingent consideration	$ 0	$ 0	$ 468	$ 468
Total	$ 0	$ 0	$ 468	$ 468
As of January 31, 2026				
Contingent consideration	$ 0	$ 0	$ 451	$ 451
Total	$ 0	$ 0	$ 451	$ 451
As of August 2, 2025				
Contingent consideration	$ 0	$ 0	$ 406	$ 406
Total	$ 0	$ 0	$ 406	$ 406

Deferred Compensation Plan Liabilities and Related Marketable Securities

The following tables present the balances and activity of the Company’s deferred compensation plan liabilities and related Marketable Securities:

(In thousands)	August 1, 2026		January 31, 2026		August 2, 2025	
Deferred compensation plan current liabilities	$	321	$	1,235	$	2,510
Deferred compensation plan long-term liabilities		13,079		12,114		10,243
Total deferred compensation plan liabilities	$	13,400	$	13,349	$	12,753
Marketable securities - mutual funds that fund deferred compensation	$	13,630	$	13,636	$	13,198

(In thousands)	Thirteen Weeks Ended August 1, 2026		Thirteen Weeks Ended August 2, 2025		Twenty-six Weeks Ended August 1, 2026		Twenty-six Weeks Ended August 2, 2025	
Deferred compensation liabilities								
Employer contributions, net	$	66	$	65	$	177	$	179
Investment earnings		378		724		598		288
Marketable Securities								
Mark-to-market gains (1)		(383)		(891)		(594)		(286)
Net deferred compensation expense (income)	$	61	$	(102)	$	181	$	181

(1) Included in the mark-to-market activity related to equity securities still held at quarter-end, we recognized unrealized gains of $350,000 and $903,000 for the thirteen weeks ended August 1, 2026 and August 2, 2025, respectively, and unrealized gains of $466,000 and $809,000 for the twenty-six weeks ended August 1, 2026 and August 2, 2025, respectively.

The fair values of Cash and Cash Equivalents, Accounts Receivable, Accounts Payable and Accrued and Other Liabilities approximate their carrying values because of their short-term nature.

Long-Lived Asset Impairment Testing

We periodically evaluate our long-lived assets for impairment if events or circumstances indicate that the carrying value may not be recoverable. The carrying value of long-lived assets is considered impaired when the carrying value of the assets exceeds the expected future cash flows to be derived from their use. Assets are grouped, and the evaluation is performed, at the lowest level for which there are identifiable cash flows, which is generally at a store level. Store level asset groupings typically include Property and Equipment and Operating Lease Right-of-Use Assets, net of the current and long-term portions of Operating Lease Liabilities. Assets subject to impairment are adjusted to estimated fair value and, if applicable, an impairment loss is recorded in SG&A. If the Operating Lease Right-of-Use Asset is impaired, we would amortize the remaining right-of-use asset on a straight-line basis over the remaining lease term.

We estimate the fair value of our long-lived assets using store specific cash flow assumptions discounted by a rate commensurate with the risk involved with such assets while incorporating marketplace assumptions. Our estimates are derived from an income-based approach considering the cash flows expected over the remaining lease term for each location. These projections are primarily based on management’s estimates of store-level sales, exercise of future lease renewal options and the store’s contribution to cash flows and, by their nature, include judgments about how current initiatives will impact future performance. We estimate the fair value of Operating Lease Right-of-Use Assets using the market value of rents applicable to the leased asset, discounted using the remaining lease term.

External factors, such as the local environment in which the store is located, including store traffic and competition, are evaluated in terms of their effect on sales trends. Changes in sales and operating income assumptions or unfavorable changes in external factors can significantly impact the estimated future cash flows. An increase or decrease in the projected cash flow can significantly impact the fair value of these assets, which may have an effect on the impairment recorded. If actual operating results or market conditions differ from those anticipated, the carrying value of certain of our assets may prove unrecoverable and we may incur additional impairment charges in the future.

In the normal course of business, we recorded $396,000 of impairment charges on four stores during the thirteen weeks ended August 1, 2026. No impairment charges were recorded during the thirteen weeks ended August 2, 2025.

As described in Note 2 - “CEO Transition and Related Strategic Review”, we recorded $8.3 million in long-lived asset impairment charges, other Property and Equipment write-offs and other charges in our SG&A during the thirteen weeks ended May 2, 2026. Of those charges, $6.3 million were associated with long-lived asset impairments at seven stores. Thus, during the twenty-six weeks ended

August 1, 2026, we recorded impairment charges of $6.7 million on 11 stores. No impairment charges were recorded during the twenty-six weeks ended August 2, 2025.

No impairments of Operating Lease Right-of-Use Assets were recorded in any of these periods.

Note 6 - Stock-Based Compensation

Stock-based compensation includes share-settled awards issued pursuant to the Shoe Station Group, Inc. Amended and Restated 2017 Equity Incentive Plan in the form of restricted stock units, performance stock units, and restricted and other stock awards. Additionally, we recognize stock-based compensation expense for the discount on shares sold to employees through our Employee Stock Purchase Plan and for cash-settled stock appreciation rights. For the thirteen and twenty-six weeks ended August 1, 2026 and August 2, 2025, stock-based compensation expense was comprised of the following:

(In thousands)	Thirteen Weeks Ended August 1, 2026	Thirteen Weeks Ended August 2, 2025	Twenty-six Weeks Ended August 1, 2026	Twenty-six Weeks Ended August 2, 2025
Share-settled equity awards	$ 1,809	$ 2,091	$ 5,173	$ 3,629
Employee Stock Purchase Plan	9	9	18	17
Total stock-based compensation expense	$ 1,818	$ 2,100	$ 5,191	$ 3,646
Income tax benefit at statutory rates	$ 442	$ 511	$ 1,262	$ 887
Additional income tax (shortfall) on vesting of share-settled awards	$ 0	$ (14)	$ (541)	$ (469)

As of August 1, 2026, approximately $9.0 million of unrecognized compensation expense remained related to our share-settled equity awards. The cost is expected to be recognized over a weighted average period of approximately 1.6 years.

Share-Settled Equity Awards

The following table summarizes transactions for our restricted stock units and performance stock units:

	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding at January 31, 2026	796,409	$ 25.67
Granted	531,796	20.16
Vested	(283,448)	27.86
Forfeited	(83,603)	21.67
Outstanding at August 1, 2026	961,154	$ 22.32

The total fair value at grant date of restricted stock units and performance stock units that vested during the twenty-six weeks ended August 1, 2026 and August 2, 2025 was $7.9 million and $7.5 million, respectively. The weighted-average grant date fair value of restricted stock units and performance stock units granted during the twenty-six weeks ended August 2, 2025 was $21.64.

The following table summarizes transactions for our restricted stock and other stock awards:

	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding at January 31, 2026	0	$ 0.00
Granted	30,035	16.65
Vested	(6,007)	16.65
Forfeited	0	0.00
Outstanding at August 1, 2026	24,028	$ 16.65

The total fair value at grant date of restricted stock and other stock awards that vested during the twenty-six weeks ended August 1, 2026 and August 2, 2025 was $100,000 and $100,000, respectively. The weighted-average grant date fair value of restricted stock awards granted during the twenty-six weeks ended August 2, 2025 was $18.85.

Note 7 – Revenue

Disaggregation of Net Sales by Product Category

Net Sales and percentage of Net Sales, disaggregated by product category, for the thirteen and twenty-six weeks ended August 1, 2026 and August 2, 2025 were as follows:

(In thousands)	Thirteen Weeks Ended August 1, 2026		Thirteen Weeks Ended August 2, 2025	
Non-Athletics:				
Women’s	$ 64,267	23%	$ 74,254	24%
Men’s	46,727	17	54,837	18
Children’s	20,501	7	20,047	7
Total	131,495	47	149,138	49
Athletics:				
Women’s	46,711	16	47,827	16
Men’s	58,803	21	54,874	18
Children’s	31,777	11	37,739	12
Total	137,291	48	140,440	46
Accessories	14,178	5	15,950	5
Other	1,345	0	860	0
Total	$ 284,309	100%	$ 306,388	100%

(In thousands)	Twenty-six Weeks Ended August 1, 2026		Twenty-six Weeks Ended August 2, 2025	
Non-Athletics:				
Women’s	$ 127,702	23%	$ 141,392	24%
Men’s	90,924	17	103,959	18
Children’s	40,650	7	39,166	7
Total	259,276	47	284,517	49
Athletics:				
Women’s	93,652	17	95,524	16
Men’s	113,055	20	104,975	18
Children’s	59,520	11	67,671	12
Total	266,227	48	268,170	46
Accessories	26,934	5	29,307	5
Other	2,602	0	2,109	0
Total	$ 555,039	100%	$ 584,103	100%

Accounting Policy and Performance Obligations

We operate as an omnichannel, family footwear retailer and provide the convenience of shopping at our physical stores or shopping online through our e-commerce platform. As part of our omnichannel strategy, we offer Shoes 2U, a program that enables us to ship product to a customer’s home or selected store if the product is not in stock at a particular store. We also offer “buy online, pick up in store” services for our customers. “Buy online, pick up in store” provides the convenience of local pickup for our customers.

For our physical stores, we satisfy our performance obligation and control is transferred at the point of sale when the customer takes possession of the products. This also includes the “buy online, pick up in store” scenario described above and includes sales made via our Shoes 2U program when customers choose to pick up their goods at a physical store. For sales made through our e-commerce sales channel in which the customer chooses home delivery, we transfer control and recognize revenue when the product is shipped. This also includes sales made via our Shoes 2U program when the customer chooses home delivery.

We offer our customers sales incentives including coupons, discounts, and free merchandise. Sales are recorded net of such incentives and returns and allowances. If an incentive involves free merchandise, that merchandise is recorded as a zero sale and the cost is included in Cost of Sales. Gift card revenue is recognized at the time of redemption. When a customer makes a purchase as part of our rewards program, we allocate the transaction price between the goods purchased and the loyalty reward points and recognize the loyalty revenue based on estimated customer redemptions.

Transaction Price and Payment Terms

The transaction price is the amount of consideration we expect to receive from our customers and is reduced by any stated promotional discounts at the time of purchase. The transaction price may be variable due to terms that permit customers to exchange or return products for a refund. The implicit contract with the customer reflected in the transaction receipt states the final terms of the sale, including the description, quantity, and price of each product purchased. The customer agrees to a stated price in the contract that does not vary over the term of the contract and may include revenue to offset shipping costs. Taxes imposed by governmental authorities such as sales taxes are excluded from Net Sales.

We accept various forms of payment from customers at the point of sale typical for an omnichannel retailer. Payments made for products are generally collected when control passes to the customer, either at the point of sale or at the time the customer order is shipped. For Shoes 2U transactions, customers may order the product at the point of sale. For these transactions, customers pay in advance and unearned revenue is recorded as a contract liability in Accrued and Other Liabilities. We recognize the related revenue when control has been transferred to the customer (i.e., when the product is picked up by the customer or shipped to the customer). Unearned revenue related to Shoes 2U was not material to our consolidated financial statements at August 1, 2026, January 31, 2026 or August 2, 2025.

Returns and Refunds

We have established an allowance based upon historical experience in order to estimate return and refund transactions. This allowance is recorded as a reduction in sales with a corresponding refund liability recorded in Accrued and Other Liabilities. The estimated cost of Merchandise Inventories is recorded as a reduction to Cost of Sales and an increase in Merchandise Inventories. Approximately $1.1 million of refund liabilities and $545,000 of right of return assets associated with estimated product returns were recorded in Accrued and Other Liabilities and Merchandise Inventories, respectively, as of August 1, 2026 and January 31, 2026. Approximately $1.1 million of refund liabilities and $726,000 of right of return assets associated with estimated product returns were recorded in Accrued and Other Liabilities and Merchandise Inventories, respectively, at August 2, 2025.

Contract Liabilities

The issuance of a gift card is recorded as an increase to contract liabilities and a decrease to contract liabilities when a customer redeems a gift card. Estimated breakage is determined based on historical breakage percentages and recognized as revenue based on expected gift card usage. We do not record breakage revenue when escheat liability to relevant jurisdictions exists. At August 1, 2026, January 31, 2026 and August 2, 2025, approximately $1.8 million, $2.0 million and $2.0 million of contract liabilities associated with unredeemed gift cards were recorded in Accrued and Other Liabilities, respectively. We expect the revenue associated with these liabilities to be recognized in proportion to the pattern of customer redemptions within two years. Breakage revenue associated with our gift cards recognized in Net Sales was not material to any of the periods presented.

Our Shoe Perks rewards program allows customers to accrue points and provides customers with the opportunity to earn rewards. Points under Shoe Perks are earned primarily by making purchases through any of our omnichannel points of sale. Once a certain threshold of accumulated points is reached, the customer earns a reward certificate, which is redeemable through any of our sales channels.

When a Shoe Perks customer makes a purchase, we allocate the transaction price between the goods purchased and the loyalty reward points earned based on the relative standalone selling price. The portion allocated to the points program is recorded as a contract liability for rewards that are expected to be redeemed. We then recognize revenue based on an estimate of when customers redeem rewards, which incorporates an estimate of points expected to expire using historical rates. During the thirteen and twenty-six weeks ended August 1, 2026, approximately $1.1 million and $2.1 million, respectively, of loyalty rewards were recognized in Net Sales. During the thirteen and twenty-six weeks ended August 2, 2025, approximately $988,000 and $1.9 million, respectively, of loyalty rewards were recognized in Net Sales. At August 1, 2026, January 31, 2026 and August 2, 2025, approximately $768,000, $627,000 and $728,000, respectively, of contract liabilities associated with loyalty rewards were recorded in Accrued and Other Liabilities. We expect the revenue associated with these liabilities to be recognized in proportion to the pattern of customer redemptions in less than one year.

Note 8 – Segment Reporting

Shoe Station Group, Inc. sells footwear and related merchandise for the family across our retail banners and sales channels. With respect to our omnichannel strategy, our e-commerce sales channel is integrated with our Shoe Carnival and Shoe Station physical store locations across 35 states and Puerto Rico and is fundamentally inseparable in how we serve our target customers.

Our chief operating decision maker ("CODM") is our Interim President and Chief Executive Officer. The CODM assesses the performance of our single reportable segment and decides how to allocate resources based on Net Income that is also reported on the income statement as our consolidated Net Income. The CODM uses Net Income to evaluate performance in deciding whether to reinvest profits, facilitate acquisitions or return funds to shareholders through dividends or share repurchases. Net Income is used to monitor budget versus actual results and in competitive analysis by benchmarking to our peers and competitors. The benchmarking analysis and the monitoring of budgeted versus actual results are used in assessing our performance and in establishing management's compensation.

We have concluded that, on the basis of the principles in FASB Topic 280 "Segment Reporting", the expenses below require disclosure under the significant expense principle. The CODM does not review assets in evaluating results. Therefore, such information is not provided. Operating financial results of our segment for the thirteen and twenty-six weeks ended August 1, 2026 and August 2, 2025 were as follows:

(In thousands)	Thirteen Weeks Ended August 1, 2026	Thirteen Weeks Ended August 2, 2025	Twenty-six Weeks Ended August 1, 2026	Twenty-six Weeks Ended August 2, 2025
Net sales	$ 284,309	$ 306,388	$ 555,039	$ 584,103
Less:				
Merchandise & delivery costs[(1)]	170,691	164,824	327,984	323,668
Store occupancy costs	23,007	22,756	46,343	45,850
Store expenses[(2)]	39,856	42,253	77,522	81,738
E-commerce expenses[(3)]	3,926	3,751	7,824	8,108
Advertising	14,756	18,427	26,225	29,527
Store depreciation and other selling expenses[(4)]	11,483	10,925	22,669	21,571
General and administrative expenses[(5)]	12,975	18,224	31,289	36,448
CEO transition and strategic review[(6)]	0	0	13,605	0
Interest income	(1,011)	(782)	(2,073)	(1,885)
Interest expense	90	77	175	155
Income tax expense	2,277	6,708	2,845	10,355
Net income	$ 6,259	$ 19,225	$ 631	$ 28,568

(1) Merchandise & delivery costs include the cost of merchandise and other buying and distribution costs.
(2) Store expenses include selling expenses generally controlled operationally at the store level, such as store level payroll.
(3) E-commerce expenses include primarily website maintenance costs and other selling expenses.
(4) Other selling expenses include store-related health care, other insurance, licensing/tax costs and Property and Equipment write-offs and impairments.
(5) General and administrative expenses include departmental and corporate expenses, including incentive and share-based compensation.
(6) See Note 2 - "CEO Transition and Related Strategic Review"

Note 9 – Leases

We lease all of our physical stores, our Evansville, Indiana distribution center, our Fort Mill, South Carolina corporate headquarters and other warehousing space. We also enter into leases of equipment and other assets. Substantially all of our leases are operating leases, however, we also have certain assets subject to finance leases. The finance lease assets and related current liabilities and noncurrent liabilities were recorded in Other Noncurrent Assets, Accrued and Other Liabilities and Other long-term liabilities, respectively. Leases with terms of twelve months or less are immaterial and are expensed as incurred, and we did not have any leases with related parties or any sublease arrangements with any related party or third party as of August 1, 2026, January 31, 2026 or August 2, 2025.

Lease costs, including other related occupancy costs, reported in our Condensed Consolidated Statements of Income were as follows for the thirteen and twenty-six weeks ended August 1, 2026 and August 2, 2025:

(In thousands)	Thirteen Weeks Ended August 1, 2026	Thirteen Weeks Ended August 2, 2025	Twenty-six Weeks Ended August 1, 2026	Twenty-six Weeks Ended August 2, 2025
Operating lease cost	$ 17,633	$ 17,787	$ 35,588	$ 35,678
Variable lease cost				
Occupancy costs	5,874	5,653	11,495	11,539
Percentage rent and other variable lease costs	261	176	759	448
Finance lease cost				
Amortization of leased assets	18	8	36	16
Interest on lease liabilities	5	3	11	5
Total	$ 23,791	$ 23,627	$ 47,889	$ 47,686

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

General

Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to provide information to assist the reader in better understanding and evaluating our financial condition and results of operations. We encourage you to read this in conjunction with our Condensed Consolidated Financial Statements and the notes thereto included in PART I, ITEM 1 of this Quarterly Report, as well as our Annual Report on Form 10-K for the fiscal year ended January 31, 2026 as filed with the SEC. This section of this Quarterly Report generally discusses our results for second quarter 2026 and second quarter 2025 as well as year-to-date results for, and comparisons between, the two periods.

As referred to herein, second quarter 2026 is the thirteen weeks ended August 1, 2026, first quarter 2026 is the thirteen weeks ended May 2, 2026 and second quarter 2025 is the thirteen weeks ended August 2, 2025. Also as referred to herein, year-to-date 2026 is the twenty-six weeks ended August 1, 2026 and year-to-date 2025 is the twenty-six weeks ended August 2, 2025. Fiscal 2026 is the fiscal year ending January 30, 2027.

Overview of Our Business

Shoe Station Group, Inc. (formerly known as Shoe Carnival, Inc.) is one of the nation's largest omnichannel sellers of footwear for the family, and our goal is to be the leading family footwear retailer in the United States. Our product assortment, whether shopping in a physical store or through our e-commerce sales channel, is primarily branded footwear and includes dress and casual shoes, sandals, boots, work shoes, and a wide assortment of athletic shoes. We carry shoes in two general categories – athletics and non-athletics with subcategories for men's, women's and children's and we also carry certain accessories. In addition to our physical stores, through our e-commerce sales channel, customers can purchase the same assortment of merchandise in all categories of footwear with expanded options in certain instances. We operate under two banners: Shoe Carnival and Shoe Station. As of August 1, 2026, we operated 422 stores across 35 states and Puerto Rico, consisting of 165 Shoe Station locations and 257 Shoe Carnival locations.

On November 13, 2025, we announced that our Board unanimously approved changing our corporate name to Shoe Station Group, Inc., which received shareholder approval at our Annual Meeting of Shareholders on June 10, 2026. The name change was effective June 12, 2026. In connection with the name change, our common stock began trading on The Nasdaq Stock Market LLC under the symbol SHOE.

Shoe Carnival

Our Shoe Carnival banner has developed over our 47-year history and is differentiated from our competitors by our distinctive, fun and promotional marketing efforts. Shoe Carnival stores combine competitive pricing with a high-energy in-store environment that encourages customer participation. Unique features of our Shoe Carnival store experience include upbeat music, opportunities for customers to spin our spin-n-win wheel and a mic-person who runs in-store specials. These specials include contests, games and hot deals of the moment to encourage customers to take immediate advantage of our special, in-store pricing. Our Shoe Carnival bannered stores serve families with children through moderate-income brands and a value-oriented selection, with entry-level price points.

Shoe Station

Our Shoe Station banner, which includes stores co-branded as "Shoe Station at Rogan's" and business-to-business operations branded as "Rogan's Work", serves a broader base of footwear customers. Our Shoe Station concept targets a more affluent footwear customer than our Shoe Carnival banner and has a strong track record of capitalizing on emerging footwear fashion trends and introducing new brands that meet the needs of the target customer. Shoe Station serves this demographic through a differentiated assortment of premium brands and an enhanced in-store experience.

CEO Transition and Strategic Review

Following the departure of Mark J. Worden from his position as our President and Chief Executive Officer and his resignation from our Board on February 24, 2026, our Board appointed Clifton E. Sifford to serve as our Interim President and Chief Executive Officer. Mr. Sifford continues to also serve as the Vice Chairman of our Board. Mr. Worden's departure was not due to any disagreement with the Company on any matter relating to its operations, policies or practices.

In connection with the CEO transition, payments to Mr. Worden and other related costs incurred, net of accruals for incentive and stock-based compensation as of January 31, 2026, resulted in a charge of $5.3 million in first quarter 2026. The tax deductibility of the payments made to Mr. Worden was limited by the Internal Revenue Code and increased our income tax expense by approximately $1.6 million. The impact of these payments made to Mr. Worden on our Diluted Net Loss per Share during first quarter 2026 was $0.20.

Following the CEO transition described above, we undertook a review of our previously announced rebanner program as well as our broader strategic direction. We completed our review during first quarter 2026 and determined that:

- While our corporate name change to Shoe Station Group, Inc. reflects the Board's conviction that the Shoe Station concept is our primary long-term growth vehicle, we are no longer pursuing a single-banner Shoe Station strategy. The Shoe Carnival and Shoe Station banners will each serve distinct consumer segments, and we believe the Company is best positioned to operate both banners as permanent, independent components of our portfolio.
- Only a limited number of additional Shoe Carnival locations meet the criteria for conversion to our Shoe Station banner. However, we continue to feel confident about growth opportunities for the Shoe Station banner through new store growth in markets that serve the target customer. No additional rebanners are expected for the remainder of Fiscal 2026.
- There are underperforming stores within our store fleet that we do not believe have a path to acceptable economics, with or without banner conversion. Four such stores have been closed in year-to-date 2026, and we expect to close eight to 10 additional stores during the third and fourth quarters of Fiscal 2026 and a further six to 10 stores during Fiscal 2027.

These decisions resulted in first quarter 2026 store level long-lived asset impairments, other Property and Equipment write-offs and other charges totaling approximately $8.3 million, or $0.23 per diluted share.

When combined with the CEO transition costs discussed above, these charges increased our Selling, General and Administrative Expenses ("SG&A") in first quarter 2026 by $13.6 million and increased our Net Loss and Diluted Net Loss per Share by $11.9 million and $0.43, respectively. No additional charges related to the CEO transition and strategic review were recorded in second quarter 2026.

Critical Accounting Policies

We use judgment in reporting our financial results. This judgment involves estimates based in part on our historical experience and incorporates the impact of the current general economic climate and company-specific circumstances. However, because future events and economic conditions are inherently uncertain, our actual results could differ materially from these estimates. Our accounting policies that require more significant judgments include those with respect to Merchandise Inventories, valuation of long-lived assets, valuation of Goodwill and Intangible Assets, leases and income taxes. The accounting policies that require more significant judgment are discussed in our Annual Report on Form 10-K for the fiscal year ended January 31, 2026, and there have been no material changes to those critical accounting policies.

Results of Operations Summary Information

	Number of Stores					Store Square Footage		
Quarter Ended	Beginning of Period	Opened	Acquired	Permanently Closed	End of Period	Net Change	End of Period	Comparable Stores Net Sales(1)
May 2, 2026	426	0	0	0	426	9,000	4,946,000	(2.1)%
August 1, 2026	426	0	0	4	422	(41,000)	4,905,000	(7.1)%
Year-to-date	426	0	0	4	422	(32,000)	4,905,000	(4.7)%
May 3, 2025	430	1	0	2	429	4,000	4,972,000	(8.1)%
August 2, 2025	429	0	0	1	428	(11,000)	4,961,000	(7.5)%
Year-to-date	430	1	0	3	428	(7,000)	4,961,000	(7.9)%

(1) Comparable store Net Sales is a key performance indicator for us. We include in our comparable store Net Sales stores that have been open for 13 full months after such stores' grand opening or acquisition prior to the beginning of the period. We do not remove stores from comparable store Net Sales when stores are relocated, remodeled or rebannered. Stores recently opened, acquired or permanently closed are not included in comparable store Net Sales. We generally include e-commerce sales in our comparable store Net Sales as a result of our omnichannel retailer strategy. Due to our omnichannel retailer strategy, we view e-commerce sales as an extension of our physical stores.

The following table sets forth our results of operations expressed as a percentage of Net Sales for the periods indicated:

	Thirteen Weeks Ended August 1, 2026	Thirteen Weeks Ended August 2, 2025	Twenty-six Weeks Ended August 1, 2026	Twenty-six Weeks Ended August 2, 2025
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales (including buying, distribution and occupancy costs)	68.1	61.2	67.4	63.3
Gross profit	31.9	38.8	32.6	36.7
Selling, general and administrative expenses	29.2	30.6	32.3	30.3
Operating income	2.7	8.2	0.3	6.4
Interest income, net	(0.3)	(0.3)	(0.3)	(0.3)
Income tax expense	0.8	2.2	0.5	1.8
Net income	2.2%	6.3%	0.1%	4.9%

Executive Summary for Second Quarter Ended August 1, 2026

Operating Results

Second quarter 2026 Net Income was $6.3 million, or $0.23 per diluted share compared to Net Income of $19.2 million, or $0.70 per diluted share, reported in second quarter 2025. Diluted Net Income per Share in second quarter 2026 declined $0.47 compared to second quarter 2025 on lower Net Sales and a lower gross profit margin.

Our Net Sales declined 7.2% in second quarter 2026 compared to second quarter 2025, primarily due to a 7.1% decline in comparable store Net Sales, inclusive of a 4% decrease in units sold. For each respective banner:

- Shoe Carnival Net Sales were $178.5 million, representing 63% of total Net Sales, and declined 6.5%, inclusive of a comparable store Net Sales decline of 6.3%.
- Shoe Station Net Sales were $105.7 million, representing 37% of total Net Sales, and declined 8.4%, inclusive of a comparable store Net Sales decline of 8.5%.

Net Sales in both banners were impacted by an increasingly promotional footwear marketplace and by assortments not fully aligned with the customers shopping our stores.

Our Gross Profit margin of 31.9% in second quarter 2026 decreased 690 basis points from second quarter 2025. The decrease included a 630 basis point decrease in our merchandise margin, primarily reflecting increased promotional activity, liquidation of aged and excess inventory, and the prior-year benefit from raising prices in advance of tariff-related cost increases. Buying, distribution and occupancy costs decreased gross profit margin 60 basis points primarily due to the deleveraging effect of lower Net Sales.

As a result of our lower Net Sales and lower gross profit margin, our Gross Profit declined to $90.6 million in second quarter 2026 compared to $118.8 million in second quarter 2025.

Our Selling, General and Administrative Expenses ("SG&A") in second quarter 2026 compared to second quarter 2025 decreased $10.6 million primarily from lower selling costs and performance-based compensation.

Inventory Reductions

Our Merchandise Inventories at the end of second quarter 2026 were $426.6 million, down $22.4 million, or 5.0%, compared to the end of second quarter 2025. We anticipate an aggregate decline in Merchandise Inventories of approximately $50 million by the end of Fiscal 2026 compared to the end of Fiscal 2025. This anticipated decline is the result of continuing to sell through opportunistic pre-tariff and in-demand product purchased in Fiscal 2025 and working through inventory not part of our ongoing assortment. The promotional activity necessary to sell this inventory has reduced, and is expected to continue to reduce, gross profit margin in Fiscal 2026 compared to the 36.6% gross profit margin achieved in Fiscal 2025.

Cash and Cash Flow

The Fiscal 2025 year-end marked the 21st consecutive year where we ended a fiscal year with no debt, fully funding our operations, acquisitions and investments from operating cash flow and cash reserves. Through second quarter 2026, we also funded our operations without incurring any debt and grew our Cash, Cash Equivalents and Marketable Securities by $39.7 million, or 43.2%, compared to the end of second quarter 2025. At the end of second quarter 2026, we had $131.6 million of Cash, Cash Equivalents and Marketable

Securities and $99.0 million of available borrowings under our existing credit facility to fund our growth objectives, including new store openings expected in Fiscal 2027 and strategic acquisitions of other footwear retailers. Cash Flow from Operations increased $30.5 million in year-to-date 2026 compared to year-to-date 2025 with Merchandise Inventory reductions contributing to that increase and Capital Expenditures declined $9.5 million.

During year-to-date 2026, we paid approximately $9.6 million to shareholders through dividends. We have now paid a dividend for 57 consecutive quarters. During year-to-date 2026, we have repurchased $7.0 million under our share repurchase authorization. During second quarter 2026, no shares were repurchased under our share repurchase authorization, and as of August 1, 2026, $43.0 million remained available under such authorization.

Results of Operations for Second Quarter Ended August 1, 2026 Compared to Second Quarter Ended August 2, 2025

Net Sales

Net Sales were $284.3 million during second quarter 2026, a decrease of $22.1 million, or 7.2%, compared to second quarter 2025. The decrease was primarily due to a 7.1% decline in our comparable store Net Sales, inclusive of a 4% decrease in units sold. Comparable store Net Sales declined 6.3% at our Shoe Carnival banner and declined 8.5% at our Shoe Station banner. Net Sales in both banners were impacted by an increasingly promotional footwear marketplace and by assortments not fully aligned with the customers shopping our stores. E-commerce sales were approximately 10% of merchandise sales in second quarter 2026 compared to 8% in second quarter 2025.

Gross Profit

Gross Profit was $90.6 million during second quarter 2026, a decrease of $28.2 million compared to second quarter 2025. Gross profit margin in second quarter 2026 was 31.9%, a decrease of 690 basis points, compared to 38.8% in second quarter 2025. The decrease in gross profit margin resulted from a 630 basis point decrease in merchandise margin. Merchandise margin in second quarter 2025 included a temporary benefit from raising prices in advance of increasing tariff-related costs. In second quarter 2026, merchandise margins were also impacted by increased promotional activity and product liquidation. Buying, distribution and occupancy costs decreased gross profit margin 60 basis points primarily due to the deleveraging effect of lower Net Sales.

Selling, General and Administrative Expenses

SG&A decreased $10.6 million in second quarter 2026 to $83.0 million compared to $93.6 million in second quarter 2025. The decrease was due to lower selling costs, primarily advertising and other rebanner-related expenses, and lower performance-based compensation. As a percent of Net Sales, SG&A for the second quarter was 29.2% compared to 30.6% in second quarter 2025.

Income Taxes

Income tax expense in second quarter 2026 was $2.3 million, $4.4 million lower than second quarter 2025. The lower income tax expense primarily resulted from lower pre-tax income. Our effective tax rate in second quarter 2026 was 26.7% compared to 25.9% in second quarter 2025.

Results of Operations Year-to-Date Through August 1, 2026 Compared to Year-to-Date Through August 2, 2025

Net Sales

Net Sales were $555.0 million during year-to-date 2026, a decrease of $29.1 million, or 5.0%, compared to year-to-date 2025. The decrease was primarily due to a 4.7% decline in our comparable store Net Sales, primarily due to lower sales volume. Our Shoe Carnival banner comparable store Net Sales declined 4.0%, and our Shoe Station banner comparable store Net Sales declined 5.8%. E-commerce sales were approximately 10% of merchandise sales in year-to-date 2026, compared to 9% in year-to-date 2025.

Gross Profit

Gross Profit was $180.7 million during year-to-date 2026, a decrease of $33.9 million compared to year-to-date 2025. Gross profit margin in year-to-date 2026 was 32.6%, a decrease of 410 basis points, compared to 36.7% in year-to-date 2025. The decrease in gross profit margin resulted from a 390 basis point decrease in merchandise margin driven primarily by higher merchandise cost. Buying, distribution and occupancy costs decreased gross profit margin 20 basis points primarily due to the deleveraging effect of lower Net Sales.

Selling, General and Administrative Expenses

SG&A increased $1.7 million in year-to-date 2026 to $179.1 million compared to $177.4 million in year-to-date 2025. The increase was due primarily to $13.6 million in charges recorded in first quarter 2026 related to the CEO transition and related strategic review, partially offset by lower selling costs, primarily advertising and other rebanner-related expenses, and lower performance-based compensation.

Income Taxes

The effective income tax rate for year-to-date 2026 was 81.8% compared to 26.6% for year-to-date 2025. The higher effective tax rate in year-to-date 2026 compared to year-to-date 2025 was impacted by nondeductible CEO severance payments that increased income tax expense by approximately $1.6 million and the impact of other discrete adjustments related to share-settled equity awards. Our provision for income taxes is based on the current estimate of our annual effective tax rate and is adjusted as necessary for quarterly events. We anticipate an effective tax rate for Fiscal 2026 of approximately 37%.

Liquidity and Capital Resources

Our primary sources of liquidity are $131.6 million of Cash, Cash Equivalents and Marketable Securities on hand at the end of second quarter 2026, cash generated from operations and availability under our $100 million Credit Agreement. We believe our resources will be sufficient to fund our cash needs, as they arise, for at least the next 12 months. Our primary uses of cash are normally for our working capital needs, which are principally inventory purchases, investments in our stores and distribution center, lease payments associated with our real estate leases, potential dividend payments, potential share repurchases under our share repurchase program and the financing of other capital projects, including investments in new systems and technology. As part of our growth strategy, we have also pursued, from time to time, strategic acquisitions of other footwear retailers.

Cash Flow - Operating Activities

Net cash generated from operating activities was $34.1 million in year-to-date 2026 compared to $3.6 million in year-to-date 2025. The increase in operating cash flow resulted primarily from decreased inventory purchases, partially offset by lower earnings.

Working capital increased on a year-over-year basis and totaled $444.6 million at August 1, 2026 compared to $417.6 million at August 2, 2025. The increase was primarily attributable to higher Cash and Cash Equivalents, coupled with lower Accrued and Other Liabilities and a lower Current Portion of Operating Lease Liabilities, partially offset by lower Merchandise Inventories. Our current ratio was 4.0 as of August 1, 2026 compared to 3.7 as of August 2, 2025.

Cash Flow – Investing Activities

Our cash outflows for investing activities are normally for capital expenditures. During year-to-date 2026 and 2025, we expended $15.0 million and $24.4 million, respectively, for the purchase of Property and Equipment, primarily related to our stores.

We invest in publicly traded mutual funds designed to mitigate income statement volatility associated with our non-qualified deferred compensation plan. The balance of these Marketable Securities was $13.6 million at August 1, 2026, compared to $13.6 million at January 31, 2026 and $13.2 million at August 2, 2025. Additional information can be found in Note 5 — "Fair Value Measurements" to our Notes to Condensed Consolidated Financial Statements contained in PART I, ITEM 1 of this Quarterly Report on Form 10-Q.

Cash Flow – Financing Activities

Our cash outflows for financing activities are typically for cash dividend payments, share repurchases or payments on our Credit Agreement. Shares of our common stock can be either acquired as part of a publicly announced repurchase program or withheld by us in connection with employee payroll tax withholding upon the vesting of stock-based compensation awards that are settled in shares. Our cash inflows from financing activities generally reflect stock issuances to employees under our Employee Stock Purchase Plan and borrowings under our Credit Agreement.

During year-to-date 2026, net cash used in financing activities was $18.8 million compared to $10.6 million during year-to-date 2025. The increase in net cash used in financing activities was primarily due to shares repurchased under our Board of Directors' authorized share repurchase program and increased dividend payments.

Credit Agreement

On March 23, 2022, we entered into a $100 million Amended and Restated Credit Agreement (the "Credit Agreement"). The Credit Agreement is collateralized by our inventory, expires on March 23, 2027, and uses a Secured Overnight Financing Rate ("SOFR") as quoted by The Federal Reserve Bank of New York as the basis for financing charges. Material covenants associated with the Credit Agreement require that we maintain a minimum net worth of $250 million and a consolidated interest coverage ratio of not less than 3.0 to 1.0. We were in compliance with these covenants as of August 1, 2026. We expect to renew or replace our Credit Agreement in the second half of Fiscal 2026.

The Credit Agreement contains certain restrictions. However, as long as our consolidated EBITDA is positive and there are either no or low borrowings outstanding, we expect these restrictions would have no impact on our ability to pay cash dividends, execute share repurchases or facilitate acquisitions from cash on hand. The Credit Agreement stipulates that cash dividends and share repurchases of $15 million or less per fiscal year can be made without restriction as long as there is no default or event of default before and immediately after such distributions. We are also permitted to make acquisitions and pay cash dividends or repurchase shares in excess of $15 million in a fiscal year provided that (a) no default or event of default exists before and immediately after the transaction and (b) on a proforma basis, the ratio of (i) the sum of (A) our consolidated funded indebtedness plus (B) three times our consolidated rental expense to (ii) the sum of (A) our consolidated EBITDA plus (B) our consolidated rental expense is less than 3.5 to 1.0. Among other restrictions, the Credit Agreement also limits our ability to incur additional secured or unsecured debt to $20 million.

The Credit Agreement bears interest, at our option, at (1) the agent bank's base rate plus 0.0% to 1.0% or (2) Adjusted Term SOFR plus 0.9% to 1.9%, depending on our achievement of certain performance criteria. A commitment fee is charged at 0.2% to 0.3% per annum, depending on our achievement of certain performance criteria, on the unused portion of the lenders' commitment. During year-to-date 2026, we did not borrow or repay funds under the Credit Agreement. Letters of credit outstanding were $1.0 million at August 1, 2026 and our borrowing capacity was $99.0 million.

The terms "net worth", "consolidated interest coverage ratio", "consolidated funded indebtedness", "consolidated rental expense", "consolidated EBITDA", "base rate" and "Adjusted Term SOFR" are defined in the Credit Agreement.

See Note 10 – "Debt" in our Notes to Consolidated Financial Statements contained in PART II, ITEM 8 of our Annual Report on Form 10-K for the fiscal year ended January 31, 2026 for a further discussion of our Credit Agreement and its covenants.

Store Portfolio

We had 422 stores at the end of second quarter 2026. The strategic review of our store portfolio completed in first quarter 2026 confirmed a permanent two-banner operating model. In year-to-date 2026, we rebannered 21 Shoe Carnival stores into Shoe Station stores, 20 of which were completed in second quarter 2026. CRM analysis and store-level trade area analysis identified only a limited number of other stores for future conversion to Shoe Station. No additional rebanners are planned for the third and fourth quarters of 2026. No stores were opened and four stores were permanently closed in year-to-date 2026, of which all four were closed in second quarter 2026.

We expect to close eight to 10 additional underperforming stores during the third and fourth quarters of Fiscal 2026 and six to 10 stores during Fiscal 2027.

In addition to increasing our scale through acquisitions, we believe our current store footprint provides fill-in opportunities within existing markets as well as growth in new markets within the United States. New store growth is expected to commence in Fiscal 2027 with three to five store openings planned and another eight to 10 store openings planned for Fiscal 2028, primarily under the Shoe Station banner in suburban trade areas within our existing 35-state footprint.

Capital Expenditures

Capital expenditures for Fiscal 2026 are expected to be between $17 million and $20 million. The resources allocated to projects are subject to near-term changes depending on potential inflationary, supply chain and other macroeconomic impacts. Furthermore, the actual amount of cash required for capital expenditures for store operations depends in part on the number of stores opened, rebannered, relocated and remodeled, and the amount of lease incentives, if any, received from landlords. The number of new store openings and relocations will be dependent upon, among other things, the availability of desirable locations, the negotiation of acceptable lease terms and general economic and business conditions affecting consumer spending.

Dividends and Share Repurchases

On June 10, 2026, the Board of Directors approved the payment of a second quarter cash dividend to our shareholders. The quarterly cash dividend of $0.17 per share was paid on July 20, 2026 to shareholders of record as of the close of business on July 6, 2026. In second quarter 2025, the dividend paid was $0.15 per share. During year-to-date 2026 and 2025, we returned $9.6 million and $8.5 million, respectively, to our shareholders through our quarterly cash dividends. The declaration and payment of any future dividends are at the discretion of the Board of Directors and will depend on our results of operations, financial condition, business conditions and other factors deemed relevant by our Board of Directors.

On December 10, 2025, our Board of Directors authorized a share repurchase program for up to $50.0 million of our outstanding common stock, effective January 1, 2026 (the "2026 Share Repurchase Program"). The purchases may be made in the open market or through privately negotiated transactions from time to time through December 31, 2026 and in accordance with applicable laws, rules and regulations. The 2026 Share Repurchase Program may be amended, suspended, or discontinued at any time and does not commit us to repurchase shares of our common stock. Although we may use other sources of capital, we have funded, and intend to continue to fund, share repurchases from cash on hand, and any shares acquired will be available for stock-based compensation awards and other corporate purposes. The actual number and value of the shares to be purchased will depend on the performance of our stock price and other market and economic factors.

During year-to-date 2026, we repurchased 390,492 shares of common stock at a total cost of $7.0 million under the 2026 Share Repurchase Program. As of August 1, 2026, we had $43.0 million available for future repurchases. No share repurchases were made during year-to-date 2025.

Our Credit Agreement permits the payment of dividends and repurchase of shares, subject to certain covenants and restrictions. See "Credit Agreement" above and Note 10 - "Debt" to our Notes to Consolidated Financial Statements contained in PART II, ITEM 8 of our Annual Report on Form 10-K for the fiscal year ended January 31, 2026 for a further discussion of the Credit Agreement, its covenants and restrictions regarding dividends and share repurchases and other matters. The Credit Agreement's covenants and restrictions did not change during second quarter 2026.

Supreme Court Tariff Ruling

In February 2026, the United States Supreme Court issued a ruling striking down certain tariffs previously imposed by the United States executive branch under the International Emergency Economic Powers Act ("IEEPA"). The United States executive branch subsequently instituted additional tariffs under other laws. These actions have resulted in considerable uncertainty regarding the scope and duration of current and potential tariffs and the impact this uncertainty may have on us, including availability and timing of refunds of tariffs paid under IEEPA. We continue to monitor and evaluate tariff policy and assess the potential impact on our business, financial condition, and results of operations. At this time, we cannot reasonably estimate the total financial impact of these events; however, these actions, and any additional tariffs imposed, may materially affect our future results of operations and cash flows. We submitted initial refund claims in July 2026 and expect to file additional claims in the second half of Fiscal 2026. We will record any refunds when collected. We expect refunds for these initial claims and expected future claims to approximate $1.2 million.

Seasonality

We have three distinct peak selling periods: Easter, back-to-school and Christmas. Our operating results depend significantly upon the sales generated during these periods. To prepare for our peak shopping seasons, we must order and keep in stock significantly more merchandise than we would carry during other periods of the year. Any unanticipated decrease in demand for our products or a supply chain disruption that reduces inventory availability during these peak shopping seasons could reduce our Net Sales and Gross Profit and negatively affect our profitability.

Recent Accounting Pronouncements

See Note 4 - "Recently Issued Accounting Pronouncements" to our Notes to Condensed Consolidated Financial Statements contained in PART I, ITEM 1 of this Quarterly Report for a description of recent accounting pronouncements that may have an impact on our condensed consolidated financial statements when adopted.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in that the interest payable under the Credit Agreement is based on variable interest rates and therefore is affected by changes in market rates. We do not use interest rate derivative instruments to manage exposure to changes in market interest rates. We had no borrowings outstanding during year-to-date 2026.

ITEM 4. CONTROLS AND PROCEDURES

Our Interim Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of August 1, 2026, that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by us in such reports is accumulated and communicated to our management, including the Interim Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

There have been no significant changes in our internal control over financial reporting that occurred during the quarter ended August 1, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in claims, regulatory examinations or investigations and legal proceedings arising in the ordinary course of our business. The outcome of any such claims or proceedings, regardless of the merits, and our ultimate liability, if any, is inherently uncertain. Furthermore, we may become subject to shareholder inspection demands and derivative or other similar litigation. From time to time as appropriate, we accrue liabilities related to legal claims in our financial statements. We are not currently party to any material legal proceedings, and we are not aware of any pending or threatened legal proceeding against us that we believe could have a material adverse effect on our business, operating results, cash flows or financial condition.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors set forth in our Annual Report on Form 10-K for the fiscal year ended January 31, 2026.

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

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs (2)	Approximate Dollar Value of Shares that May Yet Be Purchased Under Programs (2)
May 3, 2026 to May 30, 2026	0	$ 0.00	0	$ 42,998,382
May 31, 2026 to July 4, 2026	1,600	$ 16.65	0	$ 42,998,382
July 5, 2026 to August 1, 2026	0	$ 0.00	0	$ 42,998,382
	1,600		0	

(1) We withheld 1,600 shares in connection with employee payroll tax withholding upon the vesting of stock-based compensation awards that were settled in shares.

(2) On December 10, 2025, our Board of Directors authorized the 2026 Share Repurchase Program for up to $50.0 million of our outstanding common stock, effective January 1, 2026 and expiring on December 31, 2026.

ITEM 5. OTHER INFORMATION

During second quarter 2026, no members of our Board of Directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, amended or terminated any contract, instruction or written plan for the purchase or sale of our securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or any non-Rule 10b5-1 trading arrangement, as defined in the SEC's rules.

On September 3, 2026, the employment of Patrick C. Edwards, the Company's Senior Vice President, Controller and Treasurer, was terminated. Although Mr. Edwards was not an executive officer of the Company, he was a named executive officer in the Company's definitive proxy statement filed with the Securities and Exchange Commission on April 29, 2026.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit No.	Description	Incorporated by Reference To: Form	Exhibit	Filing Date	Filed/ Furnished Herewith
3-A	Amended and Restated Articles of Incorporation of Registrant	8-K	3-A	06/11/2026	
3-B	By-laws of Registrant, as amended to date	8-K	3-B	06/11/2026	
10.1+	Shoe Station Group, Inc. Amended and Restated 2017 Equity Incentive Plan, as amended				X
10.2+	Shoe Station Group, Inc. Amended and Restated Executive Incentive Plan, as amended				X
10.3+	Employee Stock Purchase Plan of Registrant, as amended				X
19	Shoe Station Group, Inc. Insider Trading Policy				X
31.1	Certification of Interim Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				X
32.1*	Certification of Interim Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2*	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document				X
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents				X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				X

+ Indicates the exhibit is a management contract, compensatory plan or arrangement required to be filed by Item 601 of Regulation S-K

* The certifications attached as Exhibit 32.1 and 32.2 that accompany this report are not deemed filed with the SEC and are not to be incorporated by reference into any filing of Shoe Station Group, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this report, irrespective of any general incorporation language contained in such filing.

SHOE STATION GROUP, INC.
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.

Date: September 10, 2026

SHOE STATION GROUP, INC.

By: /s/ W. Kerry Jackson
W. Kerry Jackson
Executive Vice President,
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 10.1

SHOE STATION GROUP, INC.
AMENDED AND RESTATED
2017 EQUITY INCENTIVE PLAN
(As amended and restated effective June 20, 2023)
(As Amended effective November 1, 2024 and effective June 12, 2026)

1. General.

(a) Purpose. The purpose of the Shoe Station Group, Inc. Amended and Restated 2017 Equity Incentive Plan (as amended and restated, the "Plan") is to attract and retain the best available personnel for positions of responsibility with the Company, to provide additional incentives to them and align their interests with those of the Company's shareholders, and to thereby promote the Company's long-term business success.

(b) Original Plan; Effective Date. The Plan became effective on June 13, 2017 (the "Effective Date"). The Board adopted the amendment and restatement of the Plan on April 11, 2023, and the amended and restated Plan became effective on June 20, 2023, the date of its shareholder approval. The Board adopted amendments to this amended and restated Plan effective November 1, 2024 (the "Amendment Date"). The Board adopted additional amendments to this amended and restated Plan effective June 12, 2026, solely to update the names of the Company and the Plan as set forth herein.

2. Definitions.

In this Plan, the following definitions will apply.

(a) "Affiliate" means any entity that is a Subsidiary or Parent of the Company.

(b) "Agreement" means the written or electronic agreement or notice containing the terms and conditions applicable to each Award granted under the Plan, including all amendments thereto. An Agreement is subject to the terms and conditions of the Plan.

(c) "Award" means a grant made under the Plan in the form of Options, Stock Appreciation Rights, Restricted Stock, Stock Units, or an Other Stock-Based Award.

(d) "Board" means the Board of Directors of the Company.

(e) "Cause" means what the term is expressly defined to mean in a then-effective written agreement (including an Agreement) between a Participant and the Company or any Affiliate, or, in the absence of any such then-effective agreement or definition, means a Participant's (i) ongoing failure to perform satisfactorily the duties reasonably required of the Participant by the Company (other than by reason of Disability); (ii) material violation of any law, rule, regulation, court order or regulatory directive (other than traffic violations, misdemeanors or other minor offenses); (iii) material breach of the Company's policies, business conduct or ethics code, or of any fiduciary duty or nondisclosure, non-solicitation, non-competition or similar obligation owed to the Company or any Affiliate; (iv) engaging in any act or practice that involves personal dishonesty on the part of the Participant or demonstrates a willful and continuing disregard for the best interests of the Company and its Affiliates; or (v) engaging in dishonorable or disruptive behavior, practices or acts which would be reasonably expected to harm or bring disrepute to the Company or any of its Affiliates, their business or any of their customers, employees or vendors.

(f) "Change in Control" means one of the following:

(i) An Exchange Act Person becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company representing 35% or more of the combined voting power of the Company's then outstanding Voting Securities, except that the following will not constitute a Change in Control:

(A) any acquisition of securities of the Company by an Exchange Act Person from the Company for the purpose of providing financing to the Company;

(B) any formation of a Group consisting solely of beneficial owners of the Company's Voting Securities as of the Effective Date of this Plan;

(C) any repurchase or other acquisition by the Company of its Voting Securities that causes any Exchange Act Person to become the beneficial owner of 35% or more of the Company's Voting Securities;

(D) any acquisition of securities of the Company by any Exchange Act Person who, on the Amendment Date, is the beneficial owner of 30% or more of the Company's Voting Securities; or

(E) upon the death of any Exchange Act Person who, on the Amendment Date, is the beneficial owner of 10% or more of the Company's Voting Securities, any acquisition triggered by the death of such Exchange Act Person by operation of law, by any testamentary bequest or by the terms of any trust or other contractual arrangement established by such Exchange Act Person.

If, however, an Exchange Act Person or Group referenced in clause (A), (B) or (C) above acquires beneficial ownership of additional Company Voting Securities after initially becoming the beneficial owner of 35% or more of the combined voting power of the Company's Voting Securities by one of the means described in those clauses, then a Change in Control will be deemed to have occurred.

(ii) Individuals who are Continuing Directors cease for any reason to constitute a majority of the members of the Board.

(iii) A Corporate Transaction is consummated, unless, immediately following such Corporate Transaction, all or substantially all of the individuals and entities who were the beneficial owners of the Company's Voting Securities immediately prior to such Corporate Transaction beneficially own, directly or indirectly, 65% or more of the combined voting power of the then outstanding Voting Securities of the surviving or acquiring entity resulting from such Corporate Transaction (including beneficial ownership through the ultimate Parent of such entity) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Company's Voting Securities.

Notwithstanding the foregoing, to the extent that any Award constitutes a deferral of compensation subject to Code Section 409A, and if that Award provides for a change in the time or form of payment upon a Change in Control, then no Change in Control shall be deemed to have occurred upon an event described in this Section 2(f) unless the event would also constitute a change in ownership or effective control of, or a change in the ownership of a substantial portion of the assets of, the Company under Code Section 409A.

(g) "Code" means the Internal Revenue Code of 1986, as amended and in effect from time to time. For purposes of the Plan, references to sections of the Code shall be deemed to include any applicable regulations thereunder and any successor or similar statutory provisions.

(h) “Code Section 409A” means Section 409A of the Code, and the regulations and guidance promulgated thereunder.

(i) “Committee” means two or more Non-Employee Directors designated by the Board to administer the Plan under Section 3, each member of which shall be (i) an independent director within the meaning of the rules and regulations of the Nasdaq Stock Market, and (ii) a non-employee director within the meaning of Exchange Act Rule 16b-3. Notwithstanding the foregoing, the Board shall perform the duties and have the responsibilities of the Committee with respect to Awards made to Non-Employee Directors.

(j) “Company” means Shoe Station Group, Inc., an Indiana corporation (formerly known as Shoe Carnival, Inc.), or any successor thereto.

(k) “Continuing Director” means an individual (i) who is, as of the Effective Date of the Plan, a director of the Company, or (ii) who becomes a director of the Company after the Effective Date hereof and whose initial election, or nomination for election by the Company’s shareholders, was approved by at least a majority of the then Continuing Directors, but excluding, for purposes of this clause (ii), an individual whose initial assumption of office occurs as the result of an actual or threatened proxy contest involving the solicitation of proxies or consents by a person or a Group other than the Board.

(l) “Corporate Transaction” means (i) a sale or other disposition of all or substantially all of the assets of the Company, or (ii) a merger, consolidation, share exchange or similar transaction involving the Company, regardless of whether the Company is the surviving corporation.

(m) “Disability” means (i) any permanent and total disability under any long-term disability plan or policy of the Company or its Affiliates that covers the Participant, or (ii) if there is no such long-term disability plan or policy, “total and permanent disability” within the meaning of Code Section 22(e)(3).

(n) “Employee” means an employee of the Company or an Affiliate.

(o) “Exchange Act” means the Securities Exchange Act of 1934, as amended and in effect from time to time.

(p) “Exchange Act Person” means any natural person, entity or Group other than (i) the Company or any Affiliate; (ii) any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate; (iii) an underwriter temporarily holding securities in connection with a registered public offering of such securities; or (iv) an entity whose Voting Securities are beneficially owned by the beneficial owners of the Company’s Voting Securities in substantially the same proportions as their beneficial ownership of the Company’s Voting Securities.

(q) “Fair Market Value” of a Share means the fair market value of a Share determined as follows:

(i) If the Shares are readily tradable on an established securities market (as determined under Code Section 409A), then Fair Market Value will be the closing sales price for a Share on the principal securities market on which it trades on the date for which it is being determined, or if no sale of Shares occurred on that date, on the next preceding date on which a sale of Shares occurred, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable; or

(ii) If the Shares are not then readily tradable on an established securities market (as determined under Code Section 409A), then Fair Market Value will be determined by the Committee as the result of a reasonable application of a reasonable valuation method that satisfies the requirements of Code Section 409A.

(r) "Full Value Award" means an Award other than an Option Award or Stock Appreciation Right Award.

(s) "Good Reason" means, unless otherwise defined in a then-effective written agreement (including an Agreement) between a Participant and the Company or any Affiliate, the existence of one or more of the following conditions without the Participant's written consent, so long as the Participant provided written notice to the Company of the existence of the condition not later than 90 days after the initial existence of the condition and the condition has not been remedied by the Company within 30 days after its receipt of such notice, and the Participant terminates Service within 180 days of the initial existence of the condition: (i) any material, adverse change in the Participant's duties, responsibilities, or authority; (ii) a material reduction in the Participant's base salary; or (iii) a geographical relocation of the Participant's principal office location by more than 50 miles, provided that neither the Participant's relocation to remote work or back to the office from remote work will be considered a relocation of such Participant's principal location of Services for purposes of this definition.

(t) "Grant Date" means the date on which the Committee approves the grant of an Award under the Plan, or such later date as may be specified by the Committee on the date the Committee approves the Award.

(u) "Group" means two or more persons who act, or agree to act together, as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding, voting or disposing of securities of the Company.

(v) "Non-Employee Director" means a member of the Board who is not an Employee.

(w) "Option" means a right granted under the Plan to purchase a specified number of Shares at a specified price. An "Incentive Stock Option" or "ISO" means any Option designated as such and granted in accordance with the requirements of Code Section 422. A "Non-Qualified Stock Option" or "NQSO" means an Option other than an Incentive Stock Option.

(x) "Other Stock-Based Award" means an Award described in Section 11 of this Plan.

(y) "Parent" means a "parent corporation," as defined in Code Section 424(e).

(z) "Participant" means a Service Provider to whom a then-outstanding Award has been granted under the Plan.

(aa) "Performance-Based Award" means an Award that is conditioned on the achievement of specified performance goals.

(bb) "Plan" means this Shoe Station Group, Inc. Amended and Restated 2017 Equity Incentive Plan, as amended and in effect from time to time.

(cc) "Prior Plan" means the Shoe Carnival, Inc. 2000 Stock Option and Incentive Plan, as amended.

(dd) "Restricted Stock" means Shares issued to a Participant that are subject to such restrictions on transfer, vesting conditions and other restrictions or limitations as may be set forth in this Plan and the applicable Agreement.

(ee) “Retirement” shall have such definition as set forth in the applicable Award Agreement.

(ff) “Service” means the provision of services by a Participant to the Company or any Affiliate in any Service Provider capacity. A Service Provider’s Service shall be deemed to have terminated either upon an actual cessation of providing services to the Company or any Affiliate or upon the entity to which the Service Provider provides services ceasing to be an Affiliate. Except as otherwise provided in this Plan or any Agreement, Service shall not be deemed terminated in the case of (i) any approved leave of absence; (ii) transfers among the Company and any Affiliates in any Service Provider capacity; or (iii) any change in status so long as the individual remains in the service of the Company or any Affiliate in any Service Provider capacity.

(gg) “Service Provider” means an Employee, a Non-Employee Director, or any consultant or advisor who is a natural person and who provides services (other than in connection with (i) a capital-raising transaction or (ii) promoting or maintaining a market in Company securities) to the Company or any Affiliate.

(hh) “Share” means a share of Stock.

(ii) “Stock” means the common stock, $0.01 par value per Share, of the Company.

(jj) “Stock Appreciation Right” or “SAR” means the right to receive, in cash and/or Shares as determined by the Committee, an amount equal to the appreciation in value of a specified number of Shares between the Grant Date of the SAR and its exercise date.

(kk) “Stock Unit” means a right to receive, in cash and/or Shares as determined by the Committee, the Fair Market Value of a Share, subject to such restrictions on transfer, vesting conditions and other restrictions or limitations as may be set forth in this Plan and the applicable Agreement.

(ll) “Subsidiary” means a “subsidiary corporation,” as defined in Code Section 424(f), of the Company.

(mm) “Substitute Award” means an Award granted upon the assumption of, or in substitution or exchange for, outstanding awards granted by a company or other entity acquired by the Company or any Affiliate or with which the Company or any Affiliate combines. The terms and conditions of a Substitute Award may vary from the terms and conditions set forth in the Plan to the extent that the Committee at the time of the grant may deem appropriate to conform, in whole or in part, to the provisions of the award in substitution for which it has been granted.

(nn) “Voting Securities” of an entity means the outstanding equity securities entitled to vote generally in the election of directors of such entity.

3. Administration of the Plan.

(a) Administration. The authority to control and manage the operations and administration of the Plan shall be vested in the Committee in accordance with this Section 3.

(b) Scope of Authority. Subject to the terms of the Plan, the Committee shall have the authority, in its discretion, to take such actions as it deems necessary or advisable to administer the Plan, including:

(i) determining the Service Providers to whom Awards will be granted, the timing of each such Award, the type of Award and the number of Shares covered by each Award, the terms, conditions, performance criteria, restrictions and other provisions of Awards, and the manner in which Awards are paid or settled;

(ii) cancelling or suspending an Award, accelerating the vesting or extending the exercise period of an Award, or otherwise amending the terms and conditions of any outstanding Award, subject to the requirements of Sections 6(b), 15(d) and 15(e);

(iii) adopting sub-plans or special provisions applicable to Awards, establishing, amending or rescinding rules to administer the Plan, interpreting the Plan and any Award or Agreement, reconciling any inconsistency, correcting any defect or supplying an omission or reconciling any inconsistency in the Plan or any Agreement, and making all other determinations necessary or desirable for the administration of the Plan; and

(iv) granting Substitute Awards under the Plan.

(c) Acts of the Committee; Delegation. A majority of the members of the Committee shall constitute a quorum for any meeting of the Committee, and any act of a majority of the members present at any meeting at which a quorum is present or any act unanimously approved in writing or electronically by all members of the Committee shall be the act of the Committee. Any such action of the Committee shall be valid and effective even if one or more members of the Committee at the time of such action are later determined not to have satisfied all of the criteria for membership in clauses (i) and (ii) of Section 2(i). To the extent not inconsistent with applicable law or stock exchange rules, the Committee may delegate all or any portion of its authority under the Plan to any one or more of its members or, as to Awards to Participants who are not subject to Section 16 of the Exchange Act, to one or more directors or executive officers of the Company or to a committee of the Board comprised of one or more directors of the Company. The Committee may also delegate non-discretionary administrative responsibilities in connection with the Plan to such other persons as it deems advisable.

(d) Finality of Decisions. The Committee's interpretation of the Plan and of any Award or Agreement made under the Plan and all related decisions or resolutions of the Board or Committee shall be final and binding on all parties with an interest therein.

(e) Indemnification. Each person who is or has been a member of the Committee or of the Board, and any other person to whom the Committee delegates authority under the Plan, shall be indemnified by the Company, to the maximum extent permitted by law, against liabilities and expenses imposed upon or reasonably incurred by such person in connection with or resulting from any claims against such person by reason of the performance of the individual's duties under the Plan. This right to indemnification is conditioned upon such person providing the Company an opportunity, at the Company's expense, to handle and defend the claims before such person undertakes to handle and defend them on such person's own behalf. The Company will not be required to indemnify any person for any amount paid in settlement of a claim unless the Company has first consented in writing to the settlement. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such person or persons may be entitled under the Company's Articles of Incorporation or Bylaws, as a matter of law, or otherwise.

4. Shares Available Under the Plan.

(a) Maximum Shares Available. Subject to Section 4(b) and to adjustment as provided in Section 12(a), the number of Shares that may be the subject of Awards and issued under the Plan shall be 3,470,398. No further awards may be made under the Prior Plan after the Effective Date of this Plan. Shares issued under the Plan may come from authorized and unissued shares or issued shares heretofore or hereafter reacquired and held as treasury shares. In determining the number of Shares to be counted against this share reserve in connection with any Award, the following rules shall apply:

(i) Where the number of Shares subject to an Award is variable on the Grant Date, the number of Shares to be counted against the share reserve shall be the maximum number of Shares that could be received under that particular Award, until such time as it can be determined that only a lesser number of shares could be earned or received.

(ii) Where two or more types of Awards are granted to a Participant in tandem with each other, such that the exercise of one type of Award with respect to a number of Shares cancels at least an equal number of Shares of the other, the number of Shares to be counted against the share reserve shall be the largest number of Shares that would be counted against the share reserve under either of the Awards.

(iii) Shares subject to Substitute Awards shall not be counted against the share reserve, nor shall they reduce the Shares authorized for grant to a Participant in any calendar year.

(iv) Awards that will be settled solely in cash shall not be counted against the share reserve, nor shall they reduce the Shares authorized for grant to a Participant in any calendar year.

(b) Effect of Forfeitures and Other Actions. Any Shares subject to an Award, or to an award granted under the Prior Plan that is outstanding on the Effective Date of this Plan (a “Prior Plan Award”), that expires, is cancelled or forfeited or is settled for cash shall, to the extent of such cancellation, forfeiture, expiration or cash settlement, again become available for Awards under this Plan, and the share reserve under Section 4(a) shall be correspondingly replenished, with such increase based on the same number of shares by which the applicable share reserve was decreased upon the grant of the applicable award. The following Shares shall not, however, again become available for Awards or replenish the share reserve under Section 4(a): (i) Shares tendered (either actually or by attestation) by the Participant or withheld by the Company in payment of the exercise price of a stock option issued under this Plan or the Prior Plan, (ii) Shares tendered (either actually or by attestation) by the Participant or withheld by the Company to satisfy any tax withholding obligation with respect to any Award or Prior Plan Award, (iii) Shares repurchased by the Company with proceeds received from the exercise of a stock option issued under this Plan or the Prior Plan, and (iv) Shares subject to a stock appreciation right award issued under this Plan or the Prior Plan that are not issued in connection with the stock settlement of that award upon its exercise.

(c) Effect of Plans Operated by Acquired Companies. If a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by shareholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall supplement the Share reserve under Section 4(a). Awards using such available shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan absent the acquisition or combination, and shall only be made to individuals who were not Employees or Non-Employee Directors prior to such acquisition or combination.

(d) No Fractional Shares. Unless otherwise determined by the Committee, the number of Shares subject to an Award shall always be a whole number. No fractional Shares may be issued under the Plan, but the Committee may, in its discretion, adopt any rounding convention it deems suitable or pay cash in lieu of any fractional Share in settlement of an Award.

(e) Limits on Awards to Non-Employee Directors. The aggregate grant date fair value (as determined in accordance with generally accepted accounting principles applicable in the United States) of all Awards granted during any calendar year to any Non-Employee Director, together with the amount of any cash fees or retainers paid to such Non-Employee Director during such calendar year with respect to such individual's Service as a Non-Employee Director, in each case excluding any supplemental Awards granted or cash fees or retainers paid to a Non-Employee Director with respect to such individual's Service as the Chairman of the Board, shall not exceed $500,000.

5. Eligibility. Participation in the Plan is limited to Service Providers. Incentive Stock Options may only be granted to Employees.

6. General Terms of Awards.

(a) Award Agreement. Each Award shall be evidenced by an Agreement setting forth the amount of the Award together with such other terms and conditions applicable to the Award (and not inconsistent with the Plan) as determined by the Committee. An Award to a Participant may be made singly or in combination with any form of Award. Two types of Awards may be made in tandem with each other such that the exercise of one type of Award with respect to a number of Shares reduces the number of Shares subject to the related Award by at least an equal amount.

(b) Vesting and Term. Each Agreement shall set forth the period until the applicable Award is scheduled to expire (which shall not be more than ten years from the Grant Date), and the applicable vesting conditions and any applicable performance period. The Committee may provide in an Agreement for such vesting conditions and timing as it may determine.

(c) Transferability. Except as provided in this Section 6(c), (i) during the lifetime of a Participant, only the Participant or the Participant's guardian or legal representative may exercise an Option or SAR, or receive payment with respect to any other Award; and (ii) no Award may be sold, assigned, transferred, exchanged or encumbered, voluntarily or involuntarily, other than by will or the laws of descent and distribution. Any attempted transfer in violation of this Section 6(c) shall be of no effect. The Committee may, however, provide in an Agreement or otherwise that an Award (other than an Incentive Stock Option) may be transferred pursuant to a domestic relations order or may be transferable by gift to any "family member" (as defined in General Instruction A.1(a)(5) to Form S-8 under the Securities Act of 1933) of the Participant. Any Award held by a transferee shall continue to be subject to the same terms and conditions that were applicable to that Award immediately before the transfer thereof. For purposes of any provision of the Plan relating to notice to a Participant or to acceleration or termination of an Award upon the death or termination of Service of a Participant, the references to "Participant" shall mean the original grantee of an Award and not any transferee.

(d) Designation of Beneficiary. To the extent permitted by the Committee, a Participant may designate a beneficiary or beneficiaries to exercise any Award or receive a payment under any Award that is exercisable or payable on or after the Participant's death. Any such designation shall be on a form approved by the Company and shall be effective upon its receipt by the Company.

(e) Termination of Service.

(i) Unless otherwise provided in an applicable Agreement or another then-effective written agreement between a Participant and the Company, and subject to Section 12 of this Plan, if a Participant's Service with the Company and all of its Affiliates terminates, the following provisions shall apply for Option and SAR Awards (in all cases subject to the scheduled expiration of an Option or SAR Award, as applicable):

(A) Upon termination of Service for any reason, all unvested and unexercisable portions of any outstanding Option and SAR Awards shall be immediately forfeited without consideration.

(B) Upon termination of Service for Cause, all rights under any Option and SAR Awards granted to such Participant shall terminate immediately, and the Participant shall (unless the Committee in its sole discretion waives this requirement) repay to the Company within 10 days the amount of any gain realized by the Participant upon any exercise within the 90-day period prior to the termination of Service of any Options or SARs granted to such Participant.

(C) Upon termination of Service by reason of death, Disability or Retirement, the currently vested and exercisable portions of Option and SAR Awards may be exercised at any time during the remaining term of such Option or SAR Award, or, in the case of Incentive Stock Options, during such shorter period as the Committee may determine and so provide in the applicable Agreement.

(D) Upon termination of Service for any reason other than those set forth in subsections (B) and (C) above, the currently vested and exercisable portions of Option and SAR Awards may be exercised for a period of 90 days after the date of such termination, and in no event after the expiration date of the Option or SAR Award.

(ii) Unless otherwise provided in an applicable Agreement or another then-effective written agreement between a Participant and the Company, and subject to Section 12 of this Plan, if a Participant's Service with the Company and all of its Affiliates terminates, the following provisions shall apply for Full Value Awards:

(A) Upon termination of Service by reason of death or Disability,

(x) all unvested portions of any outstanding Full Value Awards subject to only service-based vesting conditions shall vest in full immediately upon such termination; and

(y) for any outstanding Full Value Awards subject to performance-based vesting conditions at the time of such termination, such Full Value Awards shall vest at the end of the applicable performance period based on actual performance at the end of such performance period.

(B) If a Participant's Service is terminated by the Company without Cause, or if a Participant subject to Section 16 of the Exchange Act voluntarily terminates his or her Service for Good Reason,

(x) all unvested portions of any outstanding Full Value Awards subject to only service-based vesting conditions shall vest in full immediately upon such termination; and

(y) for any outstanding Full Value Awards subject to performance-based vesting conditions at the time of such termination, a pro rata portion of such Full Value Awards shall vest at the end of the applicable performance period based on actual performance at the end of such performance period and the number of full months that had elapsed since the beginning of the performance period at the time of such termination.

(C) Upon termination of Service by reason of Retirement,

(x) the Ratable Portion of any outstanding Full Value Awards subject to only service-based vesting conditions shall immediately vest upon such termination; and

(y) for any outstanding Full Value Awards subject to performance-based vesting conditions at the time of such termination, a pro rata portion of such Full Value Awards shall vest at the end of the applicable performance period based on actual performance at the end of such performance period and the number of full months that had elapsed since the beginning of the performance period at the time of such termination.

(D) Upon termination of Service for any reason other than as set forth in subsections (A), (B) and (C) above, all unvested portions of any outstanding Full Value Awards shall be immediately forfeited without consideration.

For purposes of this Section 6(e)(ii), “Ratable Portion” shall be determined with respect to each separate Full Value Award and shall be equal to (x) the number of Shares covered by such Full Value Award multiplied by the portion of the vesting period that expired at the date of the Participant’s termination of Service, measured on the basis of full months, reduced by (y) the number of Shares covered by such Full Value Award that had previously vested as of the date of the Participant’s termination of Service.

(f) Rights as Shareholder. No Participant shall have any rights as a shareholder with respect to any Shares covered by an Award unless and until the date the Participant becomes the holder of record of the Shares, if any, to which the Award relates.

(g) Performance-Based Awards. Any Award may be granted as a Performance-Based Award if the Committee establishes one or more measures of corporate, business unit or individual performance which must be attained, and the performance period over which the specified performance is to be attained, as a condition to the grant, vesting, exercisability, lapse of restrictions and/or settlement in cash or Shares of such Award. In connection with any such Award, the Committee shall determine the extent to which performance measures have been attained and other applicable terms and conditions have been satisfied, and the degree to which the grant, vesting, exercisability, lapse of restrictions and/or settlement of such Award has been earned. The Committee shall also have the authority to provide, in an Agreement or otherwise, for the modification of a performance period and/or adjustments or waivers of the achievement of performance goals.

(h) Dividends and Dividend Equivalents. No dividends, dividend equivalents or distributions will be paid with respect to Shares subject to an Option or SAR Award. Any dividends or distributions payable with respect to Shares that are subject to the unvested portion of a Restricted Stock Award will be subject to the same restrictions and risk of forfeiture as the Shares to which such dividends or distributions relate. In its discretion, the Committee may provide in an Award Agreement for a Stock Unit Award or an Other

Stock-Based Award that the Participant will be entitled to receive dividend equivalents, based on dividends actually declared and paid on outstanding Shares, on the units or other Share equivalents subject to the Stock Unit Award or Other Stock-Based Award, and such dividend equivalents will be subject to the same restrictions, risk of forfeiture and payment timing as the units or other Share equivalents to which such dividend equivalents relate. The additional terms of any such dividend equivalents will be as set forth in the applicable Agreement, including the form of payment and whether such dividend equivalents will be credited with interest or deemed to be reinvested in additional units or Share equivalents. Any Shares issued or issuable during the term of this Plan as the result of the reinvestment of dividends or the deemed reinvestment of dividend equivalents in connection with an Award or a Prior Plan Award shall be counted against, and replenish upon any subsequent forfeiture, the Plan's share reserve as provided in Section 4.

7. Stock Option Awards.

(a) Type and Exercise Price. The Agreement pursuant to which an Option Award is granted shall specify whether the Option is an Incentive Stock Option or a Non-Qualified Stock Option. The exercise price at which each Share subject to an Option Award may be purchased shall be determined by the Committee and set forth in the Agreement, and shall not be less than the Fair Market Value of a Share on the Grant Date, except in the case of Substitute Awards (to the extent consistent with Code Section 409A and, in the case of Incentive Stock Options, Code Section 424).

(b) Payment of Exercise Price. The purchase price of the Shares with respect to which an Option Award is exercised shall be payable in full at the time of exercise. The purchase price may be paid in cash or in such other manner as the Committee may permit, including by payment under a broker-assisted sale and remittance program, by withholding Shares otherwise issuable to the Participant upon exercise of the Option or by delivery to the Company of Shares (by actual delivery or attestation) already owned by the Participant (in each case, such Shares having a Fair Market Value as of the date the Option is exercised equal to the purchase price of the Shares being purchased). Notwithstanding any other provision of the Plan to the contrary, no Participant who is a Director or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option, or continue any extension of credit with respect to the exercise price of an Option, with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act.

(c) Exercisability and Expiration. Each Option Award shall be exercisable in whole or in part on the terms provided in the Agreement. No Option Award shall be exercisable at any time after its scheduled expiration. When an Option Award is no longer exercisable, it shall be deemed to have terminated.

(d) Incentive Stock Options.

(i) An Option Award will constitute an Incentive Stock Option Award only if the Participant receiving the Option Award is an Employee, and only to the extent that (A) it is so designated in the applicable Agreement and (B) the aggregate Fair Market Value (determined as of the Option Award's Grant Date) of the Shares with respect to which Incentive Stock Option Awards held by the Participant first become exercisable in any calendar year (under the Plan and all other plans of the Company and its Affiliates) does not exceed $100,000 or such other amount specified by the Code. To the extent an Option Award granted to a Participant exceeds this limit, the Option Award shall be treated as a Non-Qualified Stock Option Award. The maximum number of Shares that may be issued upon the exercise of Incentive Stock Option Awards under the Plan shall be the total number of Shares in the Plan's share reserve as specified in the first sentence of Section 4(a), subject to adjustment as provided in Section 12(a).

(ii) No Participant may receive an Incentive Stock Option Award under the Plan if, immediately after the grant of such Award, the Participant would own (after application of the rules contained in Code Section 424(d)) Shares possessing more than 10% of the total combined Voting Power of all classes of stock of the Company or an Affiliate, unless (A) the per Share exercise price for such Award is at least 110% of the Fair Market Value of a Share on the Grant Date and (B) such Award will expire no later than five years after its Grant Date.

(iii) For purposes of continued Service by a Participant who has been granted an Incentive Stock Option Award, no approved leave of absence may exceed three months unless reemployment upon expiration of such leave is provided by statute or contract. If reemployment is not so provided, then on the date six months following the first 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 Non-Qualified Stock Option.

(iv) If an Incentive Stock Option Award is exercised after the expiration of the exercise periods that apply for purposes of Code Section 422, or otherwise fails to qualify as an Incentive Stock Option, such Option shall thereafter be treated as a Non-Qualified Stock Option.

8. Stock Appreciation Right Awards.

(a) Nature of Award. An Award of Stock Appreciation Rights shall be subject to such terms and conditions as are determined by the Committee, and shall provide a Participant the right to receive upon exercise of the SAR Award all or a portion of the excess of (i) the Fair Market Value as of the date of exercise of the SAR Award of the number of Shares as to which the SAR Award is being exercised, over (ii) the aggregate exercise price for such number of Shares. The per Share exercise price for any SAR Award shall be determined by the Committee and set forth in the applicable Agreement, and shall not be less than the Fair Market Value of a Share on the Grant Date, except in the case of Substitute Awards (to the extent consistent with Code Section 409A).

(b) Exercise of SAR. Each SAR Award may be exercisable in whole or in part at the times, on the terms and in the manner provided in the Agreement. No SAR Award shall be exercisable at any time after its scheduled expiration. When a SAR Award is no longer exercisable, it shall be deemed to have terminated. Upon exercise of a SAR Award, payment to the Participant shall be made at such time or times as shall be provided in the Agreement in the form of cash, Shares or a combination of cash and Shares as determined by the Committee. The Agreement may provide for a limitation upon the amount or percentage of the total appreciation on which payment (whether in cash and/or Shares) may be made in the event of the exercise of a SAR Award.

9. Restricted Stock Awards.

(a) Vesting and Consideration. Shares subject to a Restricted Stock Award shall be subject to vesting and the lapse of applicable restrictions based on such conditions or factors, including the achievement of specified performance goals, and occurring over such period of time as the Committee may determine in its discretion. The Committee may provide whether any consideration other than Services must be received by the Company or any Affiliate as a condition precedent to the grant of a Restricted Stock Award, and may correspondingly provide for Company reacquisition or repurchase rights if such additional consideration has been required and some or all of a Restricted Stock Award does not vest.

(b) Shares Subject to Restricted Stock Awards. Unvested Shares subject to a Restricted Stock Award shall be evidenced by a book-entry in the name of the Participant with the Company's transfer agent or by one or more Stock certificates issued in the name of the Participant. Any such Stock certificate shall be deposited with the Company or its designee, together with an assignment separate from the certificate, in blank, signed by the Participant, and bear an appropriate legend referring to the restricted nature of the Restricted Stock evidenced thereby. Any book-entry shall be subject to comparable restrictions and corresponding stop transfer instructions. Upon the vesting of Shares of Restricted Stock, and the Company's determination that any necessary conditions precedent to the release of vested Shares (such as satisfaction of tax withholding obligations and compliance with applicable legal requirements) have been satisfied, such vested Shares shall be made available to the Participant in such manner as may be prescribed or permitted by the Committee. Except as otherwise provided in the Plan or an applicable Agreement, a Participant with a Restricted Stock Award shall have all the rights of a shareholder, including the right to vote the Shares of Restricted Stock.

10. Stock Unit Awards.

(a) Vesting and Consideration. A Stock Unit Award shall be subject to vesting and the lapse of applicable restrictions based on such conditions or factors and occurring over such period of time as the Committee may determine in its discretion. If vesting of a Stock Unit Award is conditioned on the achievement of specified performance goals, the extent to which they are achieved over the specified performance period shall determine the number of Stock Units that will be earned and eligible to vest, which may be greater or less than the target number of Stock Units stated in the Agreement. The Committee may provide whether any consideration other than Services must be received by the Company or any Affiliate as a condition precedent to the settlement of a Stock Unit Award.

(b) Payment of Award. Following the vesting of a Stock Unit Award, and the Company's determination that any necessary conditions precedent to the settlement of the Award (such as satisfaction of tax withholding obligations and compliance with applicable legal requirements) have been satisfied, settlement of the Award and payment to the Participant shall be made at such time or times in the form of cash, Shares (which may themselves be considered Restricted Stock under the Plan) or a combination of cash and Shares as determined by the Committee.

11. Other Stock-Based Awards. The Committee may from time to time grant Shares and other Awards that are valued by reference to and/or payable in whole or in part in Shares under the Plan. The Committee shall determine the terms and conditions of such Awards, which shall be consistent with the terms and purposes of the Plan. The Committee may direct the Company to issue Shares subject to restrictive legends and/or stop transfer instructions that are consistent with the terms and conditions of the Award to which the Shares relate.

12. Changes in Capitalization, Corporate Transactions, Change in Control.

(a) Adjustments for Changes in Capitalization. In the event of any equity restructuring (within the meaning of FASB ASC Topic 718) that causes the per share value of Shares to change, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through an extraordinary dividend, the Committee shall make such adjustments as it deems equitable and appropriate to (i) the aggregate number and kind of Shares or other securities issued or reserved for issuance under the Plan, (ii) the number and kind of Shares or other securities subject to outstanding Awards, (iii) the exercise price of outstanding Options and SARs, and (iv) any maximum limitations prescribed by the Plan with respect to certain types of Awards or the grants to individuals of certain types of Awards. In the event of any other change in corporate capitalization, including a merger, consolidation, reorganization, or partial or complete liquidation of the Company, such equitable adjustments described in the foregoing sentence may be made as determined to be appropriate and equitable by the Committee to prevent dilution or enlargement of rights of Participants. In either case, any such adjustment shall be conclusive and binding for all purposes of the Plan. No adjustment shall be made pursuant to this Section 12(a) in connection with the conversion of any convertible securities of the Company, or in a manner that would cause Incentive Stock Options to violate Section 422(b) of the Code or cause an Award to be subject to adverse tax consequences under Section 409A of the Code.

(b) Corporate Transactions. Unless otherwise provided in an applicable Agreement or another written agreement between a Participant and the Company, the following provisions shall apply to outstanding Awards in the event of a Change in Control that involves a Corporate Transaction.

(i) *Continuation, Assumption or Replacement of Awards*. In the event of a Corporate Transaction, then the surviving or successor entity (or its Parent) may continue, assume or replace Awards outstanding as of the date of the Corporate Transaction (with such adjustments as may be required or permitted by Section 12(a)), and such Awards or replacements therefor shall remain outstanding and be governed by their respective terms, subject to Section 12(b)(iv) below. A surviving or successor entity may elect to continue, assume or replace only some Awards or portions of Awards. For purposes of this Section 12(b)(i), an Award shall be considered assumed or replaced if, in connection with the Corporate Transaction and in a manner consistent with Code Section 409A (and Code Section 424 if the Award is an ISO), either (A) the contractual obligations represented by the Award are expressly assumed by the surviving or successor entity (or its Parent) with appropriate adjustments to the number and type of securities subject to the Award and the exercise price thereof that preserves the intrinsic value of the Award existing at the time of the Corporate Transaction, or (B) the Participant has received a comparable equity-based award that preserves the intrinsic value of the Award existing at the time of the Corporate Transaction and contains terms and conditions that are substantially similar to those of the Award.

(ii) *Acceleration*. If and to the extent that outstanding Awards under the Plan are not continued, assumed or replaced in connection with a Corporate Transaction, then (A) all outstanding Options and SARs shall become fully vested and exercisable for such period of time prior to the effective time of the Corporate Transaction as is deemed fair and equitable by the Committee, and shall terminate at the effective time of the Corporate Transaction, (B) all outstanding Full Value Awards shall fully vest immediately prior to the effective time of the Corporate Transaction, and (C) to the extent vesting of any Award is subject to satisfaction of specified performance goals, the portion of such Award that shall be deemed "fully vested" for purposes of this Section 12(b)(ii) shall be based on performance as of the effective time of the Corporate Transaction, with the performance goals appropriately adjusted to reflect the portion of the performance period that has elapsed as of the effective time of the Corporate Transaction. The Committee shall provide written notice of the period of accelerated exercisability of Options and SARs to all affected Participants. The exercise of any Option or SAR whose exercisability is accelerated as provided in this Section 12(b)(ii) shall be conditioned upon the consummation of the Corporate Transaction and shall be effective only immediately before such consummation.

(iii) *Payment for Awards*. If and to the extent that outstanding Awards under the Plan are not continued, assumed or replaced in connection with a Corporate Transaction, then the Committee may provide that some or all of such outstanding Awards shall be canceled at or immediately prior to the effective time of the Corporate Transaction in exchange for payments to the holders as provided in this Section 12(b)(iii). The Committee will not be required to treat all Awards similarly for purposes of this Section 12(b)(iii). The payment for any Award canceled shall be in an amount equal to the difference, if any, between (A) the fair market value (as determined in good faith by the Committee) of the consideration that would otherwise be received in the Corporate Transaction for the number of Shares subject to the Award, and (B) the aggregate exercise price (if any) for the Shares subject to such Award. If the amount determined pursuant to the preceding sentence is not a positive number with respect to any Award, such Award may be canceled pursuant to this Section 12(b)(iii) without payment of any kind to the affected Participant. With respect to an Award whose vesting is subject to the satisfaction of specified performance goals, the number of Shares subject to such an Award for purposes of this Section 12(b)(iii) shall be the number of Shares as to which the Award would have been deemed "fully vested" for purposes of Section 12(b)(ii). Payment of any amount under this Section 12(b)(iii) shall be made in such form, on such terms and subject to such conditions as the Committee determines in its discretion, which may or may not be the same as the form, terms and conditions applicable to payments to the Company's shareholders in connection with the Corporate Transaction, and may, in the Committee's discretion, include subjecting such payments to vesting conditions comparable to those of the Award canceled, subjecting such payments to escrow or holdback terms comparable to those imposed upon the Company's shareholders under the Corporate Transaction, or calculating and paying the present value of payments that would otherwise be subject to escrow or holdback terms.

(iv) *Termination After a Corporate Transaction*. If and to the extent that Awards are continued, assumed or replaced under the circumstances described in Section 12(b)(i), and if within 24 months after the Corporate Transaction a Participant experiences an involuntary termination of Service for reasons other than Cause, or in the case of Participants subject to Section 16 of the Exchange Act voluntarily terminates his or her Service for Good Reason, then (A) outstanding Option and SAR Awards issued to the Participant that are not yet fully exercisable shall immediately become exercisable in full and shall remain exercisable for one year following the Participant's termination of Service, and (B) any Full Value Awards that are not yet fully vested shall immediately vest in full (with vesting in full for a Performance-Based Award determined as provided in Section 12(b)(ii), except that the proportionate vesting amount will be determined with respect to the portion of the performance period during which the Participant was a Service Provider).

(c) Other Change in Control. In the event of a Change in Control that does not involve a Corporate Transaction, the Committee may, in its discretion, take such action as it deems appropriate with respect to outstanding Awards, which may include: (A) providing for the cancellation of any Award in exchange for payments in a manner similar to that provided in Section 12(b)(iii) or (B) making such adjustments to the Awards then outstanding as the Committee deems appropriate to reflect such Change in Control, which may include the acceleration of vesting in full or in part. The Committee will not be required to treat all Awards similarly in such circumstances, and may include such further provisions and limitations in any Award Agreement as it may deem equitable and in the best interests of the Company.

(d) Dissolution or Liquidation. Unless otherwise provided in an applicable Agreement, in the event of a proposed dissolution or liquidation of the Company, the Committee will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. An Award will terminate immediately prior to the consummation of such proposed action.

13. Plan Participation and Service Provider Status. Status as a Service Provider shall not be construed as a commitment that any Award will be made under the Plan to that Service Provider or to eligible Service Providers generally. Nothing in the Plan or in any Agreement or related documents shall confer upon any Service Provider or Participant any right to continued Service with the Company or any Affiliate, nor shall it interfere with or limit in any way any right of the Company or any Affiliate to terminate the person's Service at any time with or without Cause or change such person's compensation, other benefits, job responsibilities or title.

14. Tax Withholding. The Company or any Affiliate, as applicable, shall have the right to (i) withhold from any cash payment under the Plan or any other compensation owed to a Participant an amount sufficient to cover any required withholding taxes related to the grant, vesting, exercise or settlement of an Award, and (ii) require a Participant or other person receiving Shares under the Plan to pay a cash amount sufficient to cover any required withholding taxes before actual receipt of those Shares. In lieu of all or any part of a cash payment from a person receiving Shares under the Plan, the Committee may permit the Participant to satisfy all or any part of the required tax withholding obligations (but not to exceed the maximum individual statutory tax rate in each applicable jurisdiction) by authorizing the Company to withhold a number of the Shares that would otherwise be delivered to the Participant pursuant to the Award, or by delivering to the Company Shares already owned by the Participant, with the Shares so withheld or delivered having a Fair Market Value on the date the taxes are required to be withheld equal to the amount of taxes to be withheld.

15. Effective Date, Duration, Amendment and Termination of the Plan.

(a) Effective Date. The Plan became effective on the Effective Date, which is the date that it was approved by the Company's shareholders, which shall be considered the date of its adoption for purposes of Treasury Regulation §1.422-2(b)(2)(i). No Awards shall be made under the Plan prior to its Effective Date.

(b) Duration of the Plan. The Plan shall remain in effect until all Shares subject to it are distributed, all Awards have expired or terminated, the Plan is terminated pursuant to Section 15(c), or the tenth anniversary of the effective date of the Amended and Restated Plan, whichever occurs first (the "Termination Date"). Awards made before the Termination Date shall continue to be outstanding in accordance with their terms and the terms of the Plan unless otherwise provided in the applicable Agreements.

(c) Amendment and Termination of the Plan. The Board may at any time terminate, suspend or amend the Plan. The Company shall submit any amendment of the Plan to its shareholders for approval only to the extent required by applicable laws or regulations or the rules of any securities exchange on which the Shares may then be listed. No termination, suspension, or amendment of the Plan may materially impair the rights of any Participant under a previously granted Award without the Participant's consent, unless such action is necessary to comply with applicable law or stock exchange rules.

(d) Amendment of Awards. Subject to Section 15(e), the Committee may unilaterally amend the terms of any Agreement evidencing an Award previously granted, except that no such amendment may materially impair the rights of any Participant under the applicable Award without the Participant's consent, unless such amendment is necessary to comply with applicable law or stock exchange rules or any compensation recovery policy as provided in Section 18(i).

(e) No Option or SAR Repricing. Except as provided in Section 12(a), no Option or Stock Appreciation Right Award granted under the Plan may be (i) amended to decrease the exercise price thereof, (ii) cancelled in conjunction with the grant of any new Option or Stock Appreciation Right Award with a lower exercise price, (iii) cancelled in exchange for cash, other property or the grant of any Full Value Award at a time when the per share exercise price of the Option or Stock Appreciation Right Award is greater than the current Fair Market Value of a Share, or (iv) otherwise subject to any action that would be treated under accounting rules as a "repricing" of such Option or Stock Appreciation Right Award, unless such action is first approved by the Company's shareholders.

16. Performance Measures. For purposes of any Performance-Based Award, the performance measures to be utilized shall be determined by the Committee, and such measures may include any the following: (i) net earnings or net income; (ii) earnings before one or more of interest, taxes, depreciation, amortization and share-based compensation expense; (iii) earnings per share (basic or diluted); (iv) net sales; (v) comparable store sales; (vi) average sales per square foot; (vii) average sales per square foot for new stores; (viii) gross profit; (ix) operating income; (x) profitability as measured by return ratios (including, but not limited to, return on assets, return on equity, return on invested capital and return on revenue) or by the degree to which any of the foregoing earnings measures exceed a percentage of revenue or gross profit; (xi) cash flow (including, but not limited to, operating cash flow, free cash flow and cash flow return on capital); (xii) margins (including, but not limited to, one or more of gross, operating and net earnings margins); (xiii) stock price; (xiv) total shareholder return; (xv) cost and expense management; (xvi) improvement in or attainment of working capital or inventory levels; (xvii) market share; (xviii) economic value added models or equivalent metrics; (xix) customer satisfaction or customer growth; or (xx) employee satisfaction. Any performance goal based on a performance measure may be expressed in absolute amounts, on a per share basis (basic or diluted), relative to one or more other performance measures, as a growth rate or change from preceding periods, or as a comparison to the performance of specified companies, indices or other external measures, and may relate to one or any combination of Company, Affiliate, Subsidiary, division, business unit, operational unit or individual performance.

17. Confidentiality and Non-Solicitation. Participants receiving Awards under the Plan must adhere to the following confidentiality and non-solicitation terms, which covenants supplement, and do not supersede, any and all confidentiality, non-disclosure, non-competition and/or non-solicitation obligations contained in any other agreements a Participant may have entered or will enter into with the Company or imposed by law under the trade secrets act.

(a) Confidentiality. During the period during which a Participant is a Service Provider of the Company and thereafter, such Participant shall hold in strict confidence and not use or disclose at any time, other than for the benefit of the Company, any of the Company's trade secrets, confidential and proprietary information and all other information and data of the Company that is not generally publicly known, including, without limitation, the Company's profile of prospective or current vendors or customers, business methods and structure, details of the Company's contracts and business matters, personnel information, marketing strategies and plans, business plans, pricing information and strategies, costs information, and financial data, whether or not reduced to writing or other tangible medium of expression, including work product created by the Participant in rendering services to the Company ("Confidential Information"). With respect to any particular trade secret information, the Participant's confidentiality/non-disclosure obligations shall continue as long as such information constitutes a trade secret under applicable law. With respect to any particular Confidential Information that does not constitute a trade secret, the Participant's confidentiality/non-disclosure obligations shall continue as long as such information remains confidential, and shall not apply to information that becomes generally known to the public through no fault or action of the Participant.

(b) Non-Solicitation. During a Participant's Service and for one (1) year immediately following termination of the Participant's Service, the Participant shall not: (i) recruit or employ any person who is then a current Employee of the Company; (ii) assist any competing retail footwear business in the recruitment or hiring of any person who is then a current Employee of the Company; (iii) advise, suggest or recommend to any competing retail footwear business that it solicit or employ any person who is then a current Employee of the Company; or (iv) solicit or induce any of the Company's independent contractors, subcontractors, vendors, suppliers, customers or consultants to terminate or adversely modify their relationship with the Company.

(c) Forfeiture and Recovery. If a Participant violates the terms set forth in (a) or (b) above or any other confidentiality, non-disclosure, non-competition, non-solicitation or other restrictive covenant obligation under any other agreement the Participant may have entered or will enter into with the Company, including, but not limited to, any employment, non-competition, non-disclosure, non-solicitation or restrictive covenants agreement, then, notwithstanding any other provision of this Plan, (i) any unvested Full Value Awards will automatically be forfeited and cancelled; (ii) any unexercised Options and SARs will automatically be forfeited and cancelled; (iii) if any Full Value Awards vested within one year of the time of the violation, then the Participant will pay to the Company, upon demand and at the Company's sole discretion, an amount in cash equal to the Fair Market Value of such Full Value Award at the time such Full Value Award vested, less any taxes incurred by the Participant as a result of the vesting of such Full Value Award; and (iv) if any Options or SARs were exercised within one year of the time of the violation, then the Participant will pay to the Company, upon demand and at the Company's sole discretion, an amount in cash equal to the gain realized by the Participant upon the exercise of such Options or SARs (after taking into account any taxes incurred by the Participant in connection with the exercise of such Options or SARs). Such forfeiture and/or recovery are in addition to, and not in lieu of, any and all other legal and/or equitable remedies that may be available to the Company in connection with a Participant's violation of any of the covenants set forth in (a) and (b) above or any other confidentiality, non-disclosure, non-competition, non-solicitation or other restrictive covenant obligation under any other agreement the Participant may have entered or will enter into with the Company.

18. Other Provisions.

(a) Unfunded Plan. The Plan shall be unfunded and the Company shall not be required to segregate any assets that may at any time be represented by Awards under the Plan. Neither the Company, its Affiliates, the Committee, nor the Board shall be deemed to be a trustee of any amounts to be paid under the Plan nor shall anything contained in the Plan or any action taken pursuant to its provisions create or be construed to create a fiduciary relationship between the Company and/or its Affiliates, and a Participant. To the extent any person has or acquires a right to receive a payment in connection with an Award under the Plan, this right shall be no greater than the right of an unsecured general creditor of the Company.

(b) Limits of Liability. Except as may be required by law, neither the Company nor any member of the Board or of the Committee, nor any other person participating (including participation pursuant to a delegation of authority under Section 3(c) of the Plan) in any determination of any question under the Plan, or in the interpretation, administration or application of the Plan, shall have any liability to any party for any action taken, or not taken, in good faith under the Plan.

(c) Compliance with Applicable Legal Requirements and Company Policies. No Shares distributable pursuant to the Plan shall be issued and delivered unless and until the issuance of the Shares complies with all applicable legal requirements, including compliance with the provisions of applicable state and federal securities laws, and the requirements of any securities exchanges on which the Company's Shares may, at the time, be listed. During any period in which the offering and issuance of Shares under the Plan is not registered under federal or state securities laws, Participants shall acknowledge that they are acquiring Shares under the Plan for investment purposes and not for resale, and that Shares may not be transferred except pursuant to an effective registration statement under, or an exemption from the registration requirements of, such securities laws. Any stock certificate or book-entry evidencing Shares issued under the Plan that are subject to securities law restrictions shall bear or be accompanied by an appropriate restrictive legend or stop transfer instruction. Notwithstanding any other provision of this Plan, the acquisition, holding or disposition of Shares acquired pursuant to the Plan shall in all events be subject to compliance with applicable Company policies as they exist from time to time, including without limitation those relating to insider trading, pledging or hedging transactions, minimum holding periods and stock ownership guidelines, and to forfeiture or recovery of compensation as provided in Section 18(i).

(d) Other Benefit and Compensation Programs. Payments and other benefits received by a Participant under an Award made pursuant to the Plan shall not be deemed a part of a Participant's regular, recurring compensation for purposes of the termination, indemnity or severance pay laws of any country and shall not be included in, nor have any effect on, the determination of benefits under any other employee benefit plan, contract or similar arrangement provided by the Company or an Affiliate unless expressly so provided by such other plan, contract or arrangement, or unless the Committee expressly determines that an Award or portion of an Award should be included to accurately reflect competitive compensation practices or to recognize that an Award has been made in lieu of a portion of competitive cash compensation.

(e) Governing Law. To the extent that federal laws do not otherwise control, the Plan and all determinations made and actions taken pursuant to the Plan shall be governed by the laws of the State of Indiana without regard to its conflicts-of-law principles and shall be construed accordingly.

(f) Severability. If any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

(g) Code Section 409A. It is intended that (i) all Awards of Options, SARs and Restricted Stock under the Plan will be exempt from Code Section 409A, and (ii) all other Awards under the Plan will either be exempt from Code Section 409A, or will comply with the requirements of Code Section 409A, and Awards shall be structured and the Plan administered and interpreted in accordance with this intent. Notwithstanding anything to the contrary in the Plan or any Agreement, with respect to any Award that constitutes a deferral of compensation subject to Code Section 409A:

(i) If any amount is payable under such Award upon a termination of Service, a termination of Service will be deemed to have occurred only at such time as the Participant has experienced a "separation from service" as such term is defined for purposes of Code Section 409A;

(ii) If any amount shall be payable with respect to any such Award as a result of a Participant's "separation from service" at such time as the Participant is a "specified employee" within the meaning of Code Section 409A, then no payment shall be made, except as permitted under Code Section 409A, prior to the first business day after the earlier of (A) the date that is six months after the Participant's separation from service or (B) the Participant's death. Unless the Committee has adopted a specified employee identification policy as contemplated by Code Section 409A, specified employees will be identified in accordance with the default provisions specified under Code Section 409A; and

(iii) Each amount to be paid under an Award or this Plan shall be construed as a separate and distinct payment for purposes of Code Section 409A.

None of the Company, the Board, the Committee nor any other person involved with the administration of this Plan shall (x) in any way be responsible for ensuring the exemption of any Award from, or compliance by any Award with, the requirements of Code Section 409A, (y) have any obligation to design or administer the Plan or Awards granted thereunder in a manner that minimizes a Participant's tax liabilities, including the avoidance of any additional tax liabilities under Code Section 409A, or (z) have any liability to any Participant for any such tax liabilities.

(h) Rule 16b-3. It is intended that the Plan and all Awards granted pursuant to it shall be administered by the Committee so as to permit the Plan and Awards to comply with Exchange Act Rule 16b-3. If any provision of the Plan or of any Award would otherwise frustrate or conflict with the intent expressed in this Section 18(h), that provision to the extent possible shall be interpreted and deemed amended in the manner determined by the Committee so as to avoid the conflict. To the extent of any remaining irreconcilable conflict with this intent, the provision shall be deemed void as applied to Participants subject to Section 16 of the Exchange Act to the extent permitted by law and in the manner deemed advisable by the Committee.

(i) Forfeiture and Compensation Recovery.

(i) The Committee may specify in an Agreement that the Participant's rights, payments, and benefits with respect to an Award will be subject to reduction, cancellation, forfeiture or recovery by the Company upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include termination of Service for Cause; violation of any material Company or Affiliate policy; a determination that the payment of the Award was based on an incorrect determination that financial or other criteria were met or other conduct by the Participant that is detrimental to the business or reputation of the Company or its Affiliates.

(ii) Awards and any compensation associated therewith may be made subject to forfeiture, recovery by the Company or other action pursuant to any compensation recovery policy adopted by the Board or the Committee at any time, including in response to the requirements of Section 10D of the Exchange Act and the listing rules and other guidance thereunder, or as otherwise required by law. Any Agreement may be unilaterally amended by the Committee to comply with any such compensation recovery policy.

SHOE STATION GROUP, INC. AMENDED AND RESTATED EXECUTIVE INCENTIVE COMPENSATION PLAN
(As amended effective June 12, 2026)

Section 1. Purpose of Plan

The purpose of the Plan is to promote the success of the Company by providing to participating executives of the Company performance-based bonus incentives.

Section 2. Definitions and Terms

2.1 *Accounting Terms.* Except as otherwise expressly provided or the context otherwise requires, financial and accounting terms are used as defined for purposes of, and shall be determined in accordance with, generally accepted accounting principles, as from time to time in effect in the United States of America, as applied and reflected in the consolidated financial statements of the Company, prepared in the ordinary course of business.

2.2 *Specific Terms.* The following words and phrases as used herein shall have the following meanings unless a different meaning is plainly required by the context:

"Return To Shareholders" means the Company's return to shareholders as represented by share price appreciation plus dividends paid on one share of Common Stock during any Performance Period.

"Average Sales Per Square Foot" for any Performance Period means the aggregate Net Sales of all stores open during the entire Performance Period, divided by the aggregate square footage of such stores.

"Average Sales Per Square Foot for New Stores" for any Performance Period means the aggregate Net Sales of all stores opened in the Year prior to the commencement of the Performance Period and remaining open during the entire Performance Period, divided by the aggregate square footage of such stores.

"Base Salary" in respect of any Performance Period means the aggregate base annualized salary of a Participant from the Company and all affiliates of the Company at the time the Participant is selected to participate for that Performance Period, exclusive of any commissions or other actual or imputed income from any Company provided benefits or perquisites, but prior to any reductions for salary deferred pursuant to any deferred compensation plan or for contributions to a plan qualifying under Section 401(k) of the Code or contributions to a cafeteria plan under Section 125 of the Code.

"Bonus" means a cash payment or payment opportunity as the context requires.

"Business Criteria" means any one or any combination of Return to Shareholders, Net Sales, Net Income, Net Income before Nonrecurring Items, Operating Income, Operating Income before Nonrecurring Items, Return on Equity, Return on Assets, EPS, EBITDA, EBITDA before Nonrecurring Items, Comparable Store Sales, Average Sales Per Square Foot or Average Sales Per Square Foot for New Stores, in each case during any Performance Period. In addition, Business Criteria also includes any of the foregoing criteria as calculated before any Bonus

expense for that Performance Period and/or before any store closing costs and impairment charges recognized in that Performance Period. The Committee, in its discretion, may subsequently adjust any Business Criteria to exclude the effects of unanticipated material transactions or events such as unusual or nonrecurring events, acquisitions, dispositions, restructuring or impairment charges, realized investment gains or losses, retained and uninsured losses for natural catastrophes, regulatory changes and any other items as the Committee determines to be appropriate, as determined according to objective criteria established by the Committee.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Committee" means the Compensation Committee of the Board of Directors or any successor committee which will administer the Plan in accordance with Section 3 of the Plan.

"Common Stock" means the Common Stock, par value $0.01 per share, of the Company.

"Company" means Shoe Station Group, Inc. (formerly known as Shoe Carnival, Inc.) and its consolidated subsidiaries, and any successor, whether by merger, ownership of all or substantially all of its assets or otherwise.

"Comparable Store Sales" for any Performance Period shall mean the comparable store sales value, expressed as a percent increase or decrease, as periodically reported by the Company in its press releases and filings with the Securities and Exchange Commission, or as otherwise calculated and disclosed to the Committee.

"EBITDA" for any Performance Period means the consolidated net income before interest, income taxes, depreciation and amortization of the Company as reflected in the Company's consolidated financial statements for the Performance Period.

"EBITDA before Nonrecurring Items" for any Performance Period means EBITDA of the Company before any extraordinary or unusual one-time nonrecurring expenses or other charges as reflected in the Company's consolidated financial statements for the Performance Period.

"EPS" for any Performance Period means diluted Net Income per share of the Company, as reported in the Company's consolidated financial statements for the Performance Period.

"Executive" means a key employee (including any officer) of the Company.

"Fall Season" means a combination of the third and fourth Quarters for any Year.

"Net Income" for any Performance Period means the consolidated net income of the Company, as reported in the Company's consolidated financial statements for the Performance Period.

"Net Income before Nonrecurring Items" for any Performance Period means the Net Income of the Company before any extraordinary or unusual one-time nonrecurring expenses or other charges as reflected in the Company's consolidated financial statements for the Performance Period.

"Net Sales" for any Performance Period means the Company's total net sales as reported in the Company's consolidated financial statements for the Performance Period.

"Operating Income" for any Performance Period means the operating income of the Company as reflected in the Company's consolidated financial statements for the Performance Period.

"Operating Income before Nonrecurring Items" for any Performance Period means the Operating Income of the Company before any extraordinary or unusual one-time nonrecurring expenses or other charges as reflected in the Company's consolidated financial statements for the Performance Period.

"Participant" means an Executive selected to participate in the Plan by the Committee.

"Performance Period" means the Season, Year or Years with respect to which the Performance Targets are set by the Committee.

"Performance Target(s)" means the specific objective goal or goals (which may be cumulative and/or alternative) that are timely set in writing by the Committee for each Executive for the Performance Period in respect of any one or more of the Business Criteria.

"Plan" means this Shoe Station Group, Inc. Amended and Restated Executive Incentive Compensation Plan, as amended from time to time.

"Quarter" means any one or more fiscal quarters of the Company.

"Return on Assets" for any Performance Period means Net Income divided by the monthly average of total assets of the Company for the Performance Period, as reflected in the Company's consolidated financial statements for the Performance Period.

"Return on Equity" for any Performance Period means Net Income divided by the shareholders' equity of the Company at the beginning of the Performance Period, as reflected in the Company's consolidated financial statements for the Performance Period.

"Season" means the Spring Season or the Fall Season.

"Section 409A" means Section 409A of the Code, and the regulations promulgated thereunder, all as amended from time to time.

"Spring Season" means a combination of the first and second Quarters for any Year.

"Year" means any one or more fiscal years of the Company commencing on or after January 31, 2016 and ending no later than February 1, 2031.

Section 3. Administration of the Plan

3.1 *The Committee.* The Plan shall be administered by the Committee, which shall consist of at least three members of the Board of Directors of the Company, duly authorized by the Board of Directors of the Company to administer the Plan, who (i) are not eligible to participate in the Plan and (ii) meet the independence requirements of the Nasdaq Stock Market.

3.2 *Powers of the Committee.* The Committee shall have the sole authority to establish and administer the Performance Target(s) and the responsibility of determining from among the Executives those persons who will participate in and receive Bonuses under the Plan and, subject to Sections 4 and 5 of the Plan, the amount of such Bonuses and shall otherwise be responsible for the administration of the Plan, in accordance with its terms. The Committee shall have the authority to construe and interpret the Plan (except as otherwise provided herein) and any agreement or other document relating to any Bonus under the Plan, may adopt rules and regulations governing the administration of the Plan, and shall exercise all other duties and powers conferred on it by the Plan, or which are incidental or ancillary thereto. For each Performance Period, the Committee shall determine, at the time the Business Criteria and the Performance Target(s) are set, those Executives who are selected as Participants in the Plan.

3.3 *Requisite Action.* A majority (but not fewer than two) of the members of the Committee shall constitute a quorum. The vote of a majority of those present at a meeting at which a quorum is present or the unanimous written consent of the Committee shall constitute action by the Committee.

3.4 *Express Authority (and Limitations on Authority) to Change Terms and Conditions of Bonus.* Without limiting the Committee’s authority under other provisions of the Plan, but subject to any express limitations of the Plan, the Committee shall have the authority to accelerate a Bonus (after the attainment of the applicable Performance Target(s)) and to waive restrictive conditions for a Bonus (including any forfeiture conditions, but not Performance Target(s)), in such circumstances as the Committee deems appropriate. In the case of any acceleration of a Bonus after the attainment of the applicable Performance Target(s), the amount payable shall be discounted to its present value using an interest rate equal to Moody’s Average Corporate Bond Yield for the month preceding the month in which such acceleration occurs.

Section 4. Bonus Provisions.

4.1 *Provision for Bonus.* Each Participant may receive a Bonus if and only if the Performance Target(s) established by the Committee, relative to the applicable Business Criteria, are attained. The applicable Performance Period and Performance Target(s) shall be determined by the Committee consistent with the terms of the Plan. Notwithstanding the fact that the Performance Target(s) have been attained, the Company may pay a Bonus of less than the amount determined by the formula or standard established pursuant to Section 4.2 or may pay no Bonus at all, unless the Committee otherwise expressly provides by written contract or other written commitment.

4.2 *Selection of Performance Target(s).* The specific Performance Target(s) with respect to the Business Criteria must be established by the Committee while the performance relating to the Performance Target(s) remains substantially uncertain. At the time the Performance Target(s) are selected, the Committee shall provide, in terms of an objective formula or standard for each Participant, and for any person who may become a Participant after the Performance Target(s) are set, the method of computing the specific amount that will represent the maximum amount of Bonus payable to the Participant if the Performance Target(s) are attained, subject to Sections 4.1, 4.3, 4.7 and 5.1.

4.3 *Maximum Individual Bonus.* Notwithstanding any other provision hereof, no Executive shall receive a Bonus under the Plan for any Year in excess of 300% of his or her Base Salary for the Year.

4.4 *Selection of Participants.* For each Performance Period, the Committee shall determine, at the time the Business Criteria and the Performance Target(s) are set, those Executives who will participate in the Plan.

4.5 *Effect of Mid-Year Commencement of Service*. To the extent compatible with Section 4.2, if an Executive commences employment with the Company after the adoption of the Plan and the Performance Target(s) are established for a Performance Period, the Committee may grant to that Executive a Bonus for that Performance Period that is proportionately adjusted based on the period of actual service during such Performance Period.

4.6 *Accounting Changes.* If, after the Performance Target(s) are established for a Performance Period, a change occurs in the applicable accounting principles or practices, the amount of the Bonuses paid under this Plan for such Performance Period shall be determined without regard to such change.

4.7 *Committee Discretion to Determine Bonuses.* The Committee has the sole discretion to determine the standard or formula pursuant to which each Participant's Bonus shall be calculated (in accordance with Section 4.2), whether all or any portion of the amount so calculated will be paid, and the specific amount (if any) to be paid to each Participant, subject in all cases to the terms, conditions and limits of the Plan and of any other written commitment authorized by the Committee. In addition to the establishment of Performance Targets as provided in Section 4.2, the Committee may at any time establish additional conditions and terms of payment of Bonuses (including but not limited to the achievement of other financial, strategic or individual goals, which may be objective or subjective) as it may deem desirable in carrying out the purposes of the Plan and may take into account such other factors as it deems appropriate in administering any aspect of the Plan. The Committee may not, however, increase the maximum amount permitted to be paid to any individual under Section 4.2 or 4.3 of the Plan or award a Bonus under this Plan if the applicable Performance Target(s) have not been satisfied.

4.8 *Committee Certification.* No Participant shall receive any payment under the Plan unless the Committee has certified, by resolution or other appropriate action in writing, that the amount thereof has been accurately determined in accordance with the terms, conditions and limits of the Plan and that the Performance Target(s) and any other material terms previously established by the Committee or set forth in the Plan were in fact satisfied.

4.9 *Time of Payment.* Any Bonuses granted by the Committee under the Plan shall be paid in a single annual payment as soon as practicable following the latest of (a) the end of the applicable Year, (b) the Committee's determinations under this Section 4 and (c) the certification of the Committee's findings under Section 4.8, but in no event later than two and one half months following the last day of such Year (the "Payment Date"). Any such payment shall be in cash or cash equivalent, subject to applicable withholding requirements.

4.10 *Employment on Payment Date*. To be entitled to a Bonus payment under this Plan for an applicable Year or any Performance Period within such Year, the Executive must remain employed by the Company through the Payment Date for such Year. Notwithstanding the preceding sentence, however, if the Executive leaves employment with the Company prior to the Payment Date for such Year due to voluntary retirement on or after age 60, disability or death, the Executive shall remain eligible for a Bonus payment for any Performance Period for such Year that had been completed prior to the Executive leaving employment, to the extent the Committee determines that the Executive is otherwise entitled to a Bonus for such Performance Period under this Section 4. Such Bonus payment, if any, shall be paid in accordance with the provisions of Section 4.9.

Section 5. General Provisions

5.1 *No Right to Bonus or Continued Employment.* Neither the establishment of the Plan nor the provision for or payment of any amounts hereunder nor any action of the Company (including, for purposes of this Section 5.1, any predecessor or subsidiary), the Board of Directors of the Company or the Committee in respect of the Plan, shall be held or construed to confer upon any person any legal right to receive, or any interest in, a Bonus or any other benefit under the Plan, or any legal right to be continued in the employ of the Company unless otherwise provided by the Committee by contract or agreement. The Company expressly reserves any and all rights to discharge an Executive in its sole discretion, without liability of any person, entity or governing body under the Plan or otherwise. Notwithstanding any other provision hereof and notwithstanding the fact that the Performance Target(s) have been attained and/or the individual maximum amounts pursuant to Section 4.2 have been calculated, the Company shall have no obligation to pay any Bonus hereunder nor to pay the maximum amount so calculated, unless the Committee otherwise expressly provides by written contract or other written commitment.

5.2 *Discretion of Company, Board of Directors and Committee.* Any decision made or action taken by the Company or by the Board of Directors of the Company or by the Committee arising out of or in connection with the creation, amendment, construction, administration, interpretation and effect of the Plan shall be within the absolute discretion of such entity and shall be conclusive and binding upon all persons. No member of the Committee shall have any personal liability for actions taken or omitted under the Plan by the member or any other person.

5.3 *Absence of Liability*. A member of the Board of Directors of the Company or a member of the Committee of the Company or any officer of the Company shall not be personally liable for any act or inaction hereunder, whether of commission or omission.

5.4 *No Funding of Plan.* The Company shall not be required to fund or otherwise segregate any cash or any other assets which may at any time be paid to Participants under the Plan. The Plan shall constitute an "unfunded" plan of the Company. The Company shall not, by any provisions of the Plan, be deemed to be a trustee of any property, and any obligations of the Company to any Participant under the Plan shall be those of a debtor and any rights of any Participant or former Participant shall be limited to those of a general unsecured creditor.

5.5 *Non-Transferability of Benefits and Interests.* Except as expressly provided by the Committee, no benefit payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any such attempted action shall be void and no such benefit shall be in any manner liable for or subject to debts, contracts, liabilities, engagements or torts of any Participant or former Participant. This Section 5.5 shall not apply to an assignment of a contingency or payment due after the death of the Executive to the deceased Executive's legal representative or beneficiary.

5.6 *Law to Govern.* All questions pertaining to the construction, regulation, validity and effect of the provisions of the Plan shall be determined in accordance with the internal laws of the State of Indiana.

5.7 *Non-Exclusivity.* The Plan does not limit the authority of the Company, the Board of Directors of the Company or the Committee, or any subsidiary of the Company, to grant awards or authorize any other compensation under any other plan or authority, including, without limitation, awards or other compensation based on the same Performance Target(s) used under the Plan.

5.8 *[Reserved]*.

5.9 *Section 409A Compliance*. It is the intent of the Company that any Bonus payable under this Plan be exempt from the requirements of Section 409A to the maximum extent possible, including pursuant to the short-term deferral exception described in Treasury Regulation 1.409A-1(b)(4). However, to the extent Section 409A is applicable to a Bonus paid under this Plan, the Company intends that the payment of such Bonus comply with any applicable limitations, restrictions and requirements of Section 409A.

Section 6. Amendments, Suspension or Termination of Plan

Except as otherwise expressly agreed to in writing by the Committee, the Board of Directors of the Company or the Committee may, from time to time amend, suspend or terminate, in whole or in part, the Plan, and if suspended or terminated, may reinstate any or all of the provisions of the Plan; provided no amendment, suspension or termination of the Plan shall in any manner affect any Bonus theretofore granted pursuant to the Plan (whether or not the applicable Performance Targets have been attained) without the consent of the Participant to whom the Bonus was granted.

Approved by the Board of Directors as of
September 15, 2020

Amended by the Board of Directors as of
November 1, 2024

Amended by the Board of Directors as of
March 3, 2026

Amended by the Board of Directors as of
June 12, 2026

Exhibit 10.3

SHOE STATION GROUP, INC.

EMPLOYEE STOCK PURCHASE PLAN

(As Amended Effective June 12, 2026)

SECTION 1. DESIGNATION AND PURPOSE OF PLAN. The name of this Plan is the Shoe Station Group, Inc. Employee Stock Purchase Plan. The Plan was amended and restated in 1997, and the restated Plan was approved by the shareholders on June 11, 1997. The Plan is hereby amended and restated, effective June 12, 2026 (the "Amendment Effective Date"), to make changes that do not require shareholder approval. The purpose of the Plan is to provide incentives, through the ownership of Company common stock, for employees to enhance Company performance through their services. The Plan is intended to comply, and should be interpreted where possible to comply, with the terms of Code section 423.

SECTION 2. SHARES RESERVED FOR THE PLAN. The Company shall reserve for issuance and purchase by employees under the Plan an aggregate of 80,213 shares of Common Stock as of the Amendment Effective Date, subject to adjustment as provided in Section 14. Shares subject to the Plan shall be authorized but unissued shares. Shares needed to satisfy the Plan may be acquired from the Company or by purchases at the Company's expense on the open market or in private transactions.

SECTION 3. DEFINITIONS. As used in the Plan, the following terms, when capitalized, have the following meanings:

(a) "Board" means the Board of Directors of the Company.

(b) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and its interpretive rules and regulations.

(c) "Committee" means the committee established pursuant to Section 4 to administer the Plan.

(d) "Common Stock" means the Company's common stock, par value $0.01 per share.

(e) "Company" means Shoe Station Group, Inc. and any successor by merger, consolidation or otherwise.

(f) "Compensation" means, with respect to an Eligible Employee for a calendar year, the Eligible Employee's wages, salary, commissions, bonuses, and other remuneration for services, including salary reduction contributions pursuant to elections under a plan subject to Code sections 125 or 401(k).

(g) "Eligible Employee" means any employee of the Company that meets the eligibility requirements of Section 5.

(h) "Enrollment Form" means the form filed with the Committee authorizing payroll deductions pursuant to Section 6.

(i) "Entry Date" means each April 1 and October 1.

(j) "Fair Market Value" means, with respect to any Investment Date, the closing price, as reported by Nasdaq, on the last business day of the immediately prior calendar quarter.

(k) "Investment Account" means the account established for each Participant to hold Common Stock purchased under the Plan pursuant to Section 7.

(l) "Investment Date" means the first business day of each calendar quarter on which shares of Common Stock are or could be traded over-the-counter.

(m) "Participant" means an Eligible Employee who elects to participate in the Plan by filing an Enrollment Form pursuant to Section 6 and who has not ceased to participate in the Plan pursuant to Section 10 or Section 11.

(n) "Payroll Deduction Account" means the account established for a Participant to hold payroll deductions pursuant to Section 6.

(o) "Plan" means this instrument and the employee stock purchase plan established by this instrument.

(p) "Purchase Price" means the price for each whole and fractional share of Common Stock, including those purchased by dividend reinvestment, which shall be 85% of the Fair Market Value of such whole or fractional share on the Investment Date.

(q) "Servicing Agent" means Computershare Trust Company, N.A. or any successor servicing agent selected by the Company.

SECTION 4. ADMINISTRATION OF THE PLAN. The Plan shall be administered by the Committee, consisting of not less than two members appointed by the Board.

(a) The Committee shall be the Company's Compensation Committee unless the Board shall appoint another committee to administer the Plan. The Board from time to time may fill vacancies, however caused, in the Committee.

(b) Subject to the express provisions of the Plan, the Committee shall have the authority to take any and all actions (including directing the Servicing Agent as to the acquisition of shares) necessary to implement the Plan and to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, and to make all other determinations necessary or advisable in administering the Plan. All of such determinations shall be final and binding upon all persons.

(c) A quorum of the Committee shall consist of a majority of its members and the Committee may act by vote of a majority of its members at a meeting at which a quorum is present, or without a meeting by a written consent to their action taken signed by all members of the Committee.

(d) The Committee may request advice or assistance or employ such other persons as are necessary for proper administration of the Plan.

SECTION 5. ELIGIBLE EMPLOYEES. All employees of the Company are eligible to participate in the Plan during a calendar year, except for any employee who had not been employed for more than one year at the beginning of that calendar year.

SECTION 6. ELECTION TO PARTICIPATE. Each Eligible Employee may become a Participant effective on the first Entry Date coinciding with or following the date he first becomes an Eligible Employee.

(a) The Eligible Employee shall file with the Committee an Enrollment Form authorizing specified regular payroll deductions from his Compensation.

(b) Regular payroll deductions shall be subject to a minimum deduction of 1% and a maximum deduction of 15% of Compensation for the payroll period and to a maximum annual deduction of $5,000.

(c) The Company shall hold all payroll deductions as part of its general assets, but shall credit each Participant's payroll deductions, without interest, to a Payroll Deduction Account in his name.

(d) To begin participation as of an Entry Date, an Eligible Employee must file his Enrollment Form with the Committee not less than 14 days before that Entry Date, unless a shorter period of time is prescribed by the Committee. An

Enrollment Form not filed within the prescribed filing period shall be effective the second Entry Date following the filing of the Enrollment Form.

(e) A Participant may increase or decrease his payroll deduction, effective as of the first day of the next following calendar quarter, by filing a new Enrollment Form.

(f) At any time during the first 2½ months of a calendar quarter, a Participant may elect to terminate his payroll deductions and receive a refund of the balance in his Payroll Deduction Account. In that event, he shall not again become a Participant until the second Entry Date following his election to terminate.

SECTION 7. PARTICIPANT PURCHASES AND INVESTMENT ACCOUNTS. On each Investment Date, each Participant shall be deemed, without further action, to have purchased shares of Common Stock with the entire balance in his Payroll Deduction Account, and the Servicing Agent shall credit the purchased shares to the Participant's Investment Account.

(a) The Participant shall be credited with the number of whole and fractional shares (rounded to the nearest ten thousandth) that his Payroll Deduction Account balance can purchase at the Purchase Price on that Investment Date.

(b) All dividends paid with respect to the whole and fractional shares of the Common Stock and shares so purchased shall be reinvested in Common Stock and added to the shares held for a Participant in his Investment Account.

(c) Expenses incurred in the purchase of shares and the expenses of the Servicing Agent shall be paid by the Company.

SECTION 8. LIMITATION ON PURCHASES. Participant purchases are subject to the following limitations:

(a) During any one calendar year, a Participant may not purchase, under the Plan or under any other plan qualified under Code section 423, shares of Common Stock having a Fair Market Value (determined by reference to the Fair Market Value on each date of purchase) in excess of $25,000.

(b) A Participant's Payroll Deduction Account may not be used to purchase Common Stock on any Investment Date to the extent that, after such purchase, the Participant would own (or be considered as owning within the meaning of Code section 424(d)) stock possessing 5% or more of the total combined voting power of the Company. For this purpose, stock which the Participant may purchase under any outstanding option shall be treated as owned by such Participant. As of the first Investment Date on which this paragraph limits a Participant's ability to purchase Common Stock, the Participant's payroll deductions shall terminate, and he shall receive a refund of the balance in his Payroll Deduction Account.

SECTION 9. SERVICING AGENT STOCK PURCHASES. As of each Investment Date, the Servicing Agent shall acquire, using the accumulated balances of all Participants' Payroll Deduction Accounts, shares of Company Stock to be credited to those Participants' Investment Accounts.

(a) The Servicing Agent shall acquire shares issued by the Company or, if directed by the Committee, by purchases on the open market or in private transactions.

(b) If shares are purchased in one or more transactions on the open market or in private transactions at the direction of the Committee, the Company will pay the Servicing Agent the difference between the Purchase Price and the price at which such shares are purchased for Participants.

SECTION 10. INVESTMENT ACCOUNT WITHDRAWALS. Upon 14 days advance written notice to the Servicing Agent, a Participant may elect as of any Investment Date to withdraw the assets in his Investment Account.

(a) The Participant may elect to obtain a certificate for the whole shares of Common Stock credited to his Investment Account. As a condition of participation in the Plan, each Participant agrees to notify the Company if he sells or otherwise disposes of any of his shares of Common Stock within two years of the Investment Date on which such shares were purchased.

(b) The Participant may elect that all shares in his Investment Account be sold and that the proceeds, less expenses of sale, be remitted to him.

(c) In either event, the Servicing Agent will sell any fractional shares held in the Investment Account and remit the proceeds of such sale, less selling expenses, to the Participant.

(d) If a Participant withdraws the assets in his Investment Account, he shall cease to be a Participant and shall not again become a Participant until the second Entry Date following the withdrawal.

SECTION 11. CESSATION OF PARTICIPATION. If a Participant dies, terminates employment, or withdraws assets from his Investment Account, he shall cease to participate in the Plan, the Company shall refund the balance in his Payroll Deduction Account, and the Servicing Agent shall distribute the assets in his Investment Account.

(a) In the event of the Participant's death, his Payroll Deduction Account balance and his Investment Account assets shall be delivered to his estate.

(b) If the Participant terminates employment, or if a Participant ceases to participate in the Plan pursuant to Section 10, he shall receive the amount in his Payroll Deduction Account and the assets in his Investment Account.

(c) The Participant, or if applicable his beneficiary or estate, may elect to obtain a certificate for the whole shares of Common Stock credited to the Participant's Investment Account or may elect that any whole shares in his Investment Account be sold. The Servicing Agent will sell such whole shares and any fractional shares held in the Investment Account and remit the proceeds of such sale, less selling expenses.

SECTION 12. BENEFICIAL INTERESTS IN PLAN. Each Payroll Deduction Account and each Investment Account shall be in the name of the Participant. A Participant may designate a beneficiary to receive his interests in both accounts in the event of his death. If a Participant dies without having designated a beneficiary, or if the designated beneficiary does not survive the Participant, the Participant's estate shall be deemed his beneficiary.

SECTION 13. RIGHTS NOT TRANSFERABLE. Rights under the Plan are not transferable by a Participant.

SECTION 14. CHANGE IN CAPITAL STRUCTURE. Despite anything in the Plan to the contrary, the Committee may take the following actions without the consent of any Participant or beneficiary, and the Committee's determination shall be conclusive and binding on all persons for all purposes.

(a) In the event of a stock dividend, stock split or combination of shares, recapitalization or merger in which the Company is the surviving corporation or other change in the Company's capital stock (including, but not limited to, the creation or issuance to shareholders generally of rights, options or warrants for the purchase of common stock or preferred stock of the Company), the number and kind of shares of stock or securities of the Company to be subject to the Plan, the maximum number of shares or securities which may be delivered under the Plan, the selling price and other relevant provisions shall be appropriately adjusted by the Committee, whose determination shall be binding on all persons.

(b) If the Company is a party to a consolidation or a merger in which the Company is not the surviving corporation, a transaction that results in the acquisition of substantially all of the Company's outstanding stock by a single person or entity, or a sale or transfer of substantially all of the Company's assets, the Committee may take such actions with respect to the Plan as the Committee deems appropriate.

SECTION 15. AMENDMENT OF THE PLAN. The Board may at any time, or from time to time, amend the Plan in any respect. The shareholders of the Company, however, must approve any amendment that would increase the number of shares of Common Stock that may be issued under the Plan (other than an increase merely reflecting a change in capitalization of the Company), or a change in the designation of any corporations whose employees become Eligible Employees under the Plan.

SECTION 16. TERMINATION OF THE PLAN. The Plan and all rights of employees and beneficiaries under the Plan shall terminate:

(a) on the Investment Date that Participants become entitled to purchase a number of shares greater than the number of reserved shares remaining available for purchase; or

(b) at any date at the discretion of the Board.

In the event that the Plan terminates under circumstances described in (a) above, reserved shares remaining as of the termination date shall be issued to Participants on a pro rata basis. Upon termination of the Plan, each Participant shall receive the balance in his Payroll Deduction Account and all shares in his Investment Account.

SECTION 17. INDEMNIFICATION OF COMMITTEE. Service on the Committee shall constitute service as a director of the Company so that members of the Committee shall be entitled to indemnification and reimbursement as directors of the Company pursuant to its Certificate of Incorporation and Bylaws.

SECTION 18. GOVERNMENT AND OTHER REGULATIONS. The Plan, and the grant and exercise of the rights to purchase shares hereunder, and the Company's obligation to sell and deliver shares upon the exercise of rights to purchase shares, shall be subject to all applicable federal, state and foreign laws, rules and regulations, and to such approvals by any regulatory or government agency as may, in the opinion of counsel for the Company, be required.

SECTION 19. EFFECTIVE DATE OF PLAN. The Plan became effective as of October 1, 1995 and was last amended effective as of June 12, 2026.

SHOE STATION GROUP, INC.
INSIDER TRADING POLICY
Adopted: June 19, 2023

As Last Amended: June 12, 2026

Federal and state securities laws prohibit individuals from trading in the securities of a company while they are aware of material information about that company that is not generally known or available to the public. Such trading is often referred to as "insider trading." The purpose of this Insider Trading Policy (this "*Policy*") is to prevent insider trading or allegations of insider trading, and to protect the reputation for integrity and ethical conduct of Shoe Station Group, Inc. (formerly known as Shoe Carnival, Inc.) and its subsidiaries (the "*Company*").

Applicability of Policy

A. *Material Nonpublic Information* means material information (described below) that has either not been disclosed to the public generally or has been disclosed so recently that sufficient time has not yet passed to allow the information to become widely available among investors and the financial community. Generally, information is public only if it has been disseminated through a widely circulated press release, a filing made with the Securities and Exchange Commission or a conference call or webcast that was announced in advance and publicly accessible.

B. *Material Information* means information about a company that would be expected to affect the investment or voting decision of a reasonable investor, or information that could reasonably be expected to have an effect on the price of that company's securities. Examples of what might be considered material information are listed later in this Policy.

C. *Covered Persons*. This Policy applies to:

1. *Company Personnel.* "Company Personnel" includes all employees of the Company, including officers, as well as employee members of the Company's Board of Directors and nonemployee Board members (collectively, the "*Board*"). Immediate family members and others living in the same household with Company Personnel also must comply with this Policy. Each employee and Board member is responsible for compliance with this Policy by members of his or her immediate family and household.

2. *Consultants and Advisors.* All consultants and advisors to the Company whose work for the Company brings them into contact with material nonpublic information.

3. *Related Parties.* Any other person or entity, including a trust, charitable trust, corporation, partnership or other association, whose transactions in Company securities are directed by any person covered by paragraph C(1) or C(2) or are subject to that person's influence or control.

The individuals and entities described in paragraphs C(1), C(2) and C(3) are referred to as "*Covered Persons*."

In the event of a termination of employment or service to the Company, any person who ceases to be a Covered Person when they are aware of material nonpublic information will continue to be subject to the restrictions of this Policy until that information becomes public or is no longer material.

D. ***Covered Companies.*** This Policy applies to trading in the securities of:

- the Company;
- any company with which the Company does business or about which a Covered Person obtains material nonpublic information as a result of his or her work on behalf of the Company, such as vendors, suppliers, business partners and competitors; and
- any company with which the Company is planning or negotiating a major transaction, such as a merger, stock or asset purchase or asset divestiture.

E. ***Covered Transactions*.** The securities trading that this Policy covers includes purchases and sales of common stock and any other securities the Company may issue. This Policy also covers purchases and sales of derivative securities relating to the Company's stock, whether or not issued by the Company, such as exchange-traded options.

For clarity the following transactions are covered by this Policy:

- **Transactions that appear to be necessary or justifiable for individual reasons (such as the need to raise money for emergency expenses) are <u>not</u> justifiable when the person has material nonpublic information and are covered by this Policy.**
- **Gifts of Company securities when the person has material nonpublic information are covered by this Policy and are not allowed unless such gift is pre-cleared by the Company's Chief Financial Officer.**

F. Activity Associated with Company-Sponsored Plans. This Policy applies to transactions within Company-sponsored plans that provide for the issuance of shares of Company stock as follows:

1. *Restricted Stock/Unit* and *Performance Stock/Unit Awards*. This Policy's trading restrictions do not apply to shares issued under Company-sponsored equity incentive plans, such as the Shoe Station Group, Inc. Amended and Restated 2017 Equity Incentive Plan. The issuance and vesting of restricted stock/units or performance stock/units are not Covered Transactions, and the exercise of a tax withholding right pursuant to which the plan participant elects to have the Company withhold shares of stock to satisfy tax withholding requirements upon vesting is not a Covered Transaction. Any subsequent sale of Company stock acquired through a vesting of these types of share awards are Covered Transactions and this Policy's trading restrictions <u>do</u> apply to such sale.

2. *Employee Stock Purchase Plan Purchases*. The Policy's trading restrictions do not apply to the purchase of Company stock through a Company-sponsored employee stock purchase plan, such as the Shoe Station Group, Inc. Employee Stock Purchase Plan. Any election to participate in such plan, any election to change the level

of participation in such plan or the sale of any shares acquired under such plan are Covered Transactions and this Policy's trading restrictions do apply.

3. Other Transactions. This Policy's trading restrictions do not apply to the purchase of Company stock through the exercise of stock options if the participant satisfies the exercise price with cash. Any contemporaneous sale (such as a sale through a broker as part of a cashless exercise of the option) or any subsequent sale of Company stock acquired through an option exercise are Covered Transactions and this Policy's trading restrictions do apply.

Statement of Policy

Insider trading involves trading at any time when the person making the purchase or sale *is aware* of material nonpublic information regarding the company whose securities are being traded. If there is a doubt or question about whether a Covered Person is aware of or in possession of material nonpublic information concerning the Company or another company, that Covered Person should contact the Company's Chief Financial Officer.

A. *No Trading on Material Nonpublic Information*

1. *Company Securities*. A Covered Person must not purchase or sell any Company securities, or otherwise advise or assist any third party trading Company securities, while aware of material nonpublic information regarding the Company.

2. *Other Companies' Securities*. If a Covered Person obtains material nonpublic information about any other company as a result of his or her work on behalf of the Company, that Covered Person must not trade in that company's securities.

B. *No Disclosure to Others Who Might Trade.* A Covered Person must not communicate material nonpublic information to any person who does not need that information for a legitimate business purpose or recommend to anyone the purchase or sale of securities when aware of material nonpublic information about the company involved. This practice, known as "tipping," also violates the securities laws and can result in the same civil and criminal penalties that apply to insider trading even though the Covered Person did not actually trade and did not benefit from another's trading.

C. *Protect Material Nonpublic Information.* In order to reduce the possibility that material nonpublic information will be inadvertently disclosed:

- Treat material nonpublic information as confidential, exercise the utmost caution in preserving the confidentiality of that information, and do not discuss it with any other person who does not need to know it for a legitimate business purpose.
- Refrain from discussing material nonpublic information relating to the Company or any public company in public places where such discussions can be overheard.
- When aware of any leak of material nonpublic information, whether inadvertent or otherwise, report the leak immediately to the Company's Chief Financial Officer.

D. Specific Material Developments. From time to time, material developments known only to a limited number of Company Personnel may occur to cause the Company to impose on the appropriate group additional restrictions on trading. Those individuals will be notified if they become part of such a group, and persons in the group should not disclose to others the fact that they have been so notified and that restrictions on trading have been imposed. These additional restrictions will be communicated at the direction of the Chief Financial Officer.

Exception for An Approved "Rule 10b5-1 Plan"

Transactions in Company securities that are executed pursuant to a written plan that is entered into while the Covered Person is not in possession of material nonpublic information, meets certain other requirements set forth in the federal securities laws and is approved in advance by the Company's Chief Financial Officer are not Covered Transactions. If a Covered Person wishes to enter into such a plan, commonly referred to as a Rule 10b5-1 Plan, that individual is to contact the Chief Financial Officer for further information.

The Rule 10b5-1 Plan must be entered into (or modified) in good faith during a time when the Covered Person does not have any material nonpublic information and must also provide for a cooling-off period of at least a minimum period required by federal securities laws. The plan must either specify (including by formula) the amount, pricing and timing of the transactions in advance or delegate discretion on those matters to an independent party. Once the plan is adopted, the Covered Person must not exercise any influence over the securities subject to the plan, including the amount of securities to be traded, the price at which they are traded or the date of the trade.

Disciplinary Action and Potential Civil and Criminal Penalties

A. ***Disciplinary Action***. Covered Persons who fail to comply with this Policy will be subject to appropriate disciplinary action, which may include ineligibility to participate in the Company's equity incentive plans and employee stock purchase plans or termination of employment.

B. ***Civil and Criminal Penalties.*** The penalties for violating insider trading laws are severe. If a Covered Employee trades on (or tips) material nonpublic information, that individual is subject to civil penalties of up to three times the profit gained or loss avoided, criminal fines of up to $5,000,000 and up to 20 years imprisonment. If the Company fails to take appropriate steps to prevent insider trading, the Company and its directors, officers and other supervisory personnel may be subject to "controlling person" liability and potential civil and criminal penalties.

Material Information

There are various categories of information that are particularly sensitive and, as a general rule, will presumptively be considered material. Examples of such information include:

- Financial results or financial condition;
- Projections of future earnings or losses;
- Business plans or budgets;

- Significant corporate events, such as a pending or proposed merger, a significant investment, the acquisition or disposition of a significant business or asset, or a change in control of the Company;
- Significant developments involving the products the Company sells and its business relationships, including the execution, modification or termination of significant agreements or orders with vendors, suppliers or other business partners or the gain or loss of a major vendor or strategic alliance;
- Major personnel changes, such as changes in senior management or planned workforce changes;
- Major events regarding a company's securities (such as defaults, redemptions, stock splits, repurchase plans, changes in dividends);
- Restatements of financial results or material impairments, write-offs or restructurings;
- Changes in auditors;
- Default under a significant financing arrangement or financial liquidity problems;
- Public or private securities (equity or debt) offerings;
- Significant litigation exposure due to actual or threatened litigation; and
- Significant regulatory exposure due to actual or threatened action by state or federal regulators.

The above list is only illustrative; many other types of information may be considered "material" depending on the circumstances. Also, either positive or negative information may be material. The materiality of particular information is subject to reassessment on a regular basis.

Prohibited Transactions

Given the sensitivity associated with Company Personnel executing transactions in Company securities, the following types of transactions are prohibited:

- Trading in Company securities on a short-term basis – any Company stock purchases in the open market must be held for a minimum of six months or ideally longer;
- Purchasing Company securities on margin, holding Company securities in a margin account or otherwise pledging Company securities;
- Short sales of Company securities (selling securities not owned at the time of sale);
- Buying or selling put or call options or other derivative securities based on Company securities;
- Purchasing any financial instruments (including prepaid variable forward contracts, equity swaps, collars and exchange funds) or otherwise engaging in transactions that hedge or offset, or are designed to hedge or offset, any decrease in the market value of Company securities that such individual holds, directly or indirectly; and

- Engaging in limit orders or other pre-arranged transactions that execute automatically, except for "same-day" limit orders and an approved Rule 10b5-1 Plan approved by the Chief Financial Officer.

These restrictions do not prevent Company Personnel from engaging in general portfolio diversification or investing in broad-based index funds.

Application of the Policy to the Company

Any transactions by the Company, including repurchases of the Company's securities, must comply with applicable laws with respect to insider trading, and the Company will not trade in its own securities when there is material nonpublic information about the Company.

Questions

Questions regarding any of the provisions or procedures of this Insider Trading Policy should be directed to the Chief Financial Officer.

Additional Requirements and Responsibilities for Corporate Insiders

A. Purpose. These additional requirements and responsibilities supplement the above provisions of this Policy and apply to members of the Company's Board ("*directors*") and Section 16 Officers (as defined below), as well as to key employees designated by the Company's Chief Financial Officer. These "Corporate Insiders" are subject to both the general requirements of this Policy as well as the additional procedures and requirements described below to help prevent inadvertent violations of federal securities laws, to avoid even the appearance of impermissible insider trading, and to facilitate their compliance with certain legal requirements not applicable to Covered Persons generally.

B. Covered Persons that are Corporate Insiders.

1. *Directors and Section 16 Officers.* This section applies to the directors and to the officers of the Company subject to Section 16 of the Securities Exchange Act of 1934 (referred to herein as "*Section 16 Officers*").

2. *Other Officers and Key Employees.* This section applies to the other officers of the Company and to designated key employees. These other officers and key employees, whose duties cause them to regularly have access to material nonpublic information about the Company, will be notified by the Chief Financial Officer that they are subject to this section of the Policy.

3. *Related Parties.* This section also applies to the same extent to a Corporate Insider's immediate family members and other individuals living in his or her household. This section also applies to any other person or entity, including a trust, charitable trust, corporation, partnership or other association, whose transactions in Company securities are directed by or are subject to a Corporate Insider's influence or control. The Corporate Insider is responsible for informing all family members and such related parties of the requirements of this section of the Policy.

C. Blackout Periods for all Corporate Insiders

1. ***Trading Not Permitted During Blackout Periods.*** Corporate Insiders may not purchase, sell or otherwise trade Company securities during the period beginning two weeks prior to the end of each fiscal quarter and continuing through the second trading day following the public release of the Company's financial results for that fiscal quarter (the "Blackout Period"). If quarterly financial results are released before the Nasdaq Stock Market LLC ("*Nasdaq*") opens on a certain day, that day will count as the first trading day following the public release of such results. If a Corporate Insider wishes to trade outside of a Blackout Period, the person may do so only if he or she is not then aware of any material nonpublic information and has complied with the notification and preclearance procedures described below.

The following is an illustration of the Blackout Period:

A fiscal quarter ends on Saturday, April 29 and financial results are released before the Nasdaq opens on May 24. The last day Corporate Insiders can transact in the Company's stock is Friday, April 14 and they are prohibited from trading from April 15 through May 25. Corporate Insiders can then trade from May 26 through July 14, unless they are aware of material nonpublic information or have not complied with the notification and preclearance procedures below. As further clarification, if financial results were released during or after market close on May 24, Corporate Insiders would not be able to begin trading until May 27.

The Chief Financial Officer may also impose special Blackout Periods from time to time, and will notify the affected individuals of such special Blackout Period.

2. ***Trading Outside Blackout Periods.*** If a Corporate Insider wishes to trade outside of a Blackout Period, the Corporate Insider may do so only if he or she is not then aware of any material nonpublic information. In addition, before a Corporate Insider may trade outside of any Blackout Period, he or she must comply with the notification and preclearance procedures described below.

D. Required Preclearance of Trades

1. ***Notices of Intended Transaction and Requests for Approval.*** Corporate Insiders may not engage in any transaction involving Company securities without first obtaining preclearance of that transaction from the Company's Chief Financial Officer or other individual designated by the Company's Chief Financial Officer or Board. Prior to initiating any transaction in Company securities, Corporate Insiders must deliver to the Chief Financial Officer a written notice describing any intended transaction in Company securities during a permitted trading period (an example of a formal request for preclearance is attached as Exhibit A). Notices of intended transactions and requests for approval may be delivered by e-mail.

2. ***Clearance to Proceed with a Transaction.*** Prior to completing a transaction, a Corporate Insider must receive clearance from the Company's Chief Financial Officer. Clearance in response to a written request for approval will generally be valid until the end of the current permitted trading period, unless an earlier deadline is imposed by the Chief Financial Officer. Clearance may be revoked at any time without notice.

E. ***Short-Swing Trading Restrictions.*** As noted previously in this Policy, short-swing transactions are prohibited. However, if a director or Section 16 Officer executes a short-swing transaction, they must also comply with the reporting obligations and limitations on short-swing trading transactions imposed by Section 16 of the Securities Exchange Act of 1934. Among other things, Section 16 requires directors and Section 16 Officers to pay over to the Company any profit realized from any purchase and sale (in either order) of Company securities that occur within six months of each other.

EXHIBIT A

FORM OF CORPORATE INSIDER REQUEST FOR APPROVAL TO TRADE

- I certify I do not have any material, nonpublic information;
- In connection with my proposed trade, I certify that, in making this request, I am complying with the applicable provisions of the Shoe Station Group, Inc. Insider Trading Policy;
- I understand that clearance for the transaction(s), if granted, will be valid only until the earlier of the trade occurring or the closing of the current trading window, which closes on ____________; and
- If I become aware of any material nonpublic information prior to the trade occurring, I will not execute the trade.

If you are submitting a 10b-5 plan, you may omit the last two bullets above.

Type of Transaction:

☐ Purchase ☐ Sale

☐ Other (explain:)

Securities to be Traded:

Number of shares or principal amount: ____

If You Are Buying or Selling Securities (check one):

☐ Securities held/to be held directly by me

☐ Securities held/to be held by securities holder other than me:
Print name of holder:____________________________
Relationship of securities holder to me:____________________________

Corporate Insider Acknowledgment Form

1. I have read and understand the Shoe Station Group, Inc. Insider Trading Policy. I understand that the Company's Chief Financial Officer is available to answer any questions I have regarding the Insider Trading Policy.

2. I understand that I am responsible for complying with the Insider Trading Policy and agree to comply for as long as I am subject to the Policy.

Signature:

Date:

Print name:

Exhibit 31.1

SHOE STATION GROUP, INC.
CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Clifton E. Sifford, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shoe Station Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 10, 2026

By: /s/ Clifton E. Sifford
Clifton E. Sifford
Interim President and
Chief Executive Officer

Exhibit 31.2

SHOE STATION GROUP, INC.
CERTIFICATION PURSUANT TO RULE 13a-14(a)/15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, W. Kerry Jackson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shoe Station Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 10, 2026

By: /s/ W. Kerry Jackson
W. Kerry Jackson
Executive Vice President,
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C.
SECTION 1350,
AS ADOPTED PURSUANT TO SECTION
906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Shoe Station Group, Inc. (the "Company") on Form 10-Q for the period ending August 1, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Clifton E. Sifford, Interim President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 10, 2026

By: /s/ Clifton E. Sifford
Clifton E. Sifford
Interim President and
Chief Executive Officer

Exhibit 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C.
SECTION 1350,
AS ADOPTED PURSUANT TO SECTION
906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Shoe Station Group, Inc. (the “Company”) on Form 10-Q for the period ending August 1, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, W. Kerry Jackson, Executive Vice President, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 10, 2026

By: /s/ W. Kerry Jackson
W. Kerry Jackson
Executive Vice President,
Chief Financial Officer