

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 November 2, 2024
- 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 Carnival, Inc.

(Exact name of registrant as specified in its charter)

Indiana

(State or other jurisdiction of
incorporation or organization)

35-1736614

(IRS Employer
Identification Number)

**7500 East Columbia Street
Evansville, IN**

(Address of principal executive offices)

47715

(Zip code)

(812) 867-4034

(Registrant's telephone number, including area code)

NOT APPLICABLE

(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	SCVL	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 December 4, 2024 was 27,174,765.

SHOE CARNIVAL, INC.
INDEX TO FORM 10-Q

	Page
Part I Financial Information	
Item 1. Financial Statements (Unaudited)	
Condensed Consolidated Balance Sheets	3
Condensed Consolidated Statements of Income	4
Condensed Consolidated Statements of Shareholders' Equity	5
Condensed Consolidated Statements of Cash Flows	6
Notes to Condensed Consolidated Financial Statements	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3. Quantitative and Qualitative Disclosures About Market Risk	22
Item 4. Controls and Procedures	22
Part II Other Information	
Item 1A. Risk Factors	23
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	23
Item 5. Other Information	23
Item 6. Exhibits	23
Signature	25

SHOE CARNIVAL, INC.
PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SHOE CARNIVAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
Unaudited

(In thousands, except share data)	November 2, 2024	February 3, 2024	October 28, 2023
Assets			
Current Assets:			
Cash and cash equivalents	\$ 77,235	\$ 99,000	\$ 59,895
Marketable securities	13,866	12,247	11,226
Accounts receivable	8,678	2,593	3,105
Merchandise inventories	406,599	346,442	368,344
Other	20,662	21,056	19,469
Total Current Assets	527,040	481,338	462,039
Property and equipment – net	174,171	168,613	164,982
Operating lease right-of-use assets	351,023	333,851	337,833
Intangible assets	40,979	32,600	32,600
Goodwill	18,018	12,023	12,023
Other noncurrent assets	13,198	13,600	13,995
Total Assets	<u>\$ 1,124,429</u>	<u>\$ 1,042,025</u>	<u>\$ 1,023,472</u>
Liabilities and Shareholders' Equity			
Current Liabilities:			
Accounts payable	\$ 57,283	\$ 58,274	\$ 42,944
Accrued and other liabilities	20,050	16,620	21,394
Current portion of operating lease liabilities	58,432	52,981	57,091
Total Current Liabilities	135,765	127,875	121,429
Long-term portion of operating lease liabilities	317,679	301,355	305,322
Deferred income taxes	17,639	17,341	16,647
Deferred compensation	13,449	11,639	9,770
Other	4,239	426	398
Total Liabilities	488,771	458,636	453,566
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	87,861	83,738	82,408
Retained earnings	762,489	714,647	702,434
Treasury stock, at cost, 13,874,425 shares, 13,919,326 shares and 13,918,470 shares, respectively	(215,102)	(215,406)	(215,346)
Total Shareholders' Equity	635,658	583,389	569,906
Total Liabilities and Shareholders' Equity	<u>\$ 1,124,429</u>	<u>\$ 1,042,025</u>	<u>\$ 1,023,472</u>

See notes to Condensed Consolidated Financial Statements.

SHOE CARNIVAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Unaudited

(In thousands, except per share data)	Thirteen Weeks Ended November 2, 2024	Thirteen Weeks Ended October 28, 2023	Thirty-nine Weeks Ended November 2, 2024	Thirty-nine Weeks Ended October 28, 2023
Net sales	\$ 306,885	\$ 319,914	\$ 939,946	\$ 895,713
Cost of sales (including buying, distribution and occupancy costs)	196,503	202,213	602,821	574,030
Gross profit	110,382	117,701	337,125	321,683
Selling, general and administrative expenses	85,853	89,766	260,010	248,147
Operating income	24,529	27,935	77,115	73,536
Interest income	(1,148)	(833)	(2,623)	(1,744)
Interest expense	139	71	412	208
Income before income taxes	25,538	28,697	79,326	75,072
Income tax expense	6,296	6,836	20,225	17,244
Net income	<u>\$ 19,242</u>	<u>\$ 21,861</u>	<u>\$ 59,101</u>	<u>\$ 57,828</u>
Net income per share:				
Basic	\$ 0.71	\$ 0.80	\$ 2.18	\$ 2.12
Diluted	\$ 0.70	\$ 0.80	\$ 2.15	\$ 2.11
Weighted average shares:				
Basic	27,161	27,258	27,154	27,272
Diluted	27,565	27,400	27,488	27,433

See notes to Condensed Consolidated Financial Statements.

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

(In thousands, except per share data)	Thirteen Weeks Ended						
	Issued	Common Stock Treasury	Amount	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total
Balance at August 3, 2024	41,049	(13,875)	\$ 410	\$ 86,208	\$ 746,996	\$ (215,119)	\$ 618,495
Dividends declared (\$0.135 per share)					(3,749)		(3,749)
Employee stock purchase plan purchases		1		23		17	40
Stock-based compensation expense				1,630			1,630
Net income					19,242		19,242
Balance at November 2, 2024	<u>41,049</u>	<u>(13,874)</u>	<u>\$ 410</u>	<u>\$ 87,861</u>	<u>\$ 762,489</u>	<u>\$ (215,102)</u>	<u>\$ 635,658</u>
Balance at July 29, 2023	41,049	(13,689)	\$ 410	\$ 81,151	\$ 683,875	\$ (209,917)	\$ 555,519
Dividends declared (\$0.12 per share)					(3,302)		(3,302)
Employee stock purchase plan purchases		2		9		26	35
Purchase of common stock for treasury		(231)				(5,455)	(5,455)
Stock-based compensation expense				1,248			1,248
Net income					21,861		21,861
Balance at October 28, 2023	<u>41,049</u>	<u>(13,918)</u>	<u>\$ 410</u>	<u>\$ 82,408</u>	<u>\$ 702,434</u>	<u>\$ (215,346)</u>	<u>\$ 569,906</u>

(In thousands, except per share data)	Thirty-nine Weeks Ended						
	Issued	Common Stock Treasury	Amount	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total
Balance at February 3, 2024	41,049	(13,919)	\$ 410	\$ 83,738	\$ 714,647	\$ (215,406)	\$ 583,389
Dividends declared (\$0.405 per share)					(11,259)		(11,259)
Employee stock purchase plan purchases		5		55		77	132
Stock-based compensation awards		59		(915)		915	0
Shares surrendered by employees to pay taxes on stock-based compensation awards		(19)				(688)	(688)
Stock-based compensation expense				4,983			4,983
Net income					59,101		59,101
Balance at November 2, 2024	<u>41,049</u>	<u>(13,874)</u>	<u>\$ 410</u>	<u>\$ 87,861</u>	<u>\$ 762,489</u>	<u>\$ (215,102)</u>	<u>\$ 635,658</u>
Balance at January 28, 2023	41,049	(13,884)	\$ 410	\$ 83,423	\$ 653,450	\$ (211,715)	\$ 525,568
Dividends declared (\$0.32 per share)					(8,844)		(8,844)
Employee stock purchase plan purchases		7		38		107	145
Stock-based compensation awards		305		(4,644)		4,644	0
Shares surrendered by employees to pay taxes on stock-based compensation awards		(115)				(2,927)	(2,927)
Purchase of common stock for treasury		(231)				(5,455)	(5,455)
Stock-based compensation expense				3,591			3,591
Net income					57,828		57,828
Balance at October 28, 2023	<u>41,049</u>	<u>(13,918)</u>	<u>\$ 410</u>	<u>\$ 82,408</u>	<u>\$ 702,434</u>	<u>\$ (215,346)</u>	<u>\$ 569,906</u>

See notes to Condensed Consolidated Financial Statements.

SHOE CARNIVAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Unaudited

(In thousands)	Thirty-nine Weeks Ended November 2, 2024	Thirty-nine Weeks Ended October 28, 2023
Cash Flows From Operating Activities		
Net income	\$ 59,101	\$ 57,828
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,762	21,193
Stock-based compensation	5,204	3,548
(Gain) Loss on retirement and impairment of assets, net	(415)	79
Deferred income taxes	(676)	4,803
Non-cash operating lease expense	41,790	41,853
Other	1,270	305
Changes in operating assets and liabilities:		
Accounts receivable	(3,720)	(53)
Merchandise inventories	(18,563)	22,046
Operating leases	(40,139)	(41,888)
Accounts payable and accrued liabilities	(8,714)	(33,473)
Other	188	(6,891)
Net cash provided by operating activities	58,088	69,350
Cash Flows From Investing Activities		
Purchases of property and equipment	(24,778)	(43,601)
Investments in marketable securities	(502)	(71)
Sales of marketable securities and other	1,406	0
Acquisition, net of cash acquired	(44,384)	0
Net cash used in investing activities	(68,258)	(43,672)
Cash Flows From Financing Activities		
Proceeds from issuance of stock	132	145
Dividends paid	(11,039)	(8,928)
Purchase of common stock for treasury	0	(5,445)
Shares surrendered by employees to pay taxes on stock-based compensation awards	(688)	(2,927)
Net cash used in financing activities	(11,595)	(17,155)
Net (decrease) increase in cash and cash equivalents	(21,765)	8,523
Cash and cash equivalents at beginning of period	99,000	51,372
Cash and cash equivalents at end of period	<u>\$ 77,235</u>	<u>\$ 59,895</u>
Supplemental disclosures of cash flow information:		
Cash paid during period for interest	\$ 212	\$ 208
Cash paid during period for income taxes	\$ 19,007	\$ 13,566
Capital expenditures incurred but not yet paid	\$ 3,201	\$ 2,191
Dividends declared but not yet paid	\$ 499	\$ 233
Contingent consideration related to business acquisition	\$ 3,600	\$ 0

See notes to Condensed Consolidated Financial Statements.

SHOE CARNIVAL, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Unaudited

Note 1 – Basis of Presentation

Shoe Carnival, Inc. is one of the nation's largest omnichannel family footwear retailers, selling footwear and related products through our retail stores located in 36 states within the continental United States and in Puerto Rico, as well as through our e-commerce sales channels. We offer customers a broad assortment of primarily branded dress and casual shoes, sandals, boots and athletic footwear and accessories for men, women and children with an emphasis on national name brands through our Shoe Carnival and Shoe Station banners. We are an Indiana corporation that was initially formed in Delaware in 1993 and reincorporated in Indiana in 1996. References to "we," "us," "our" and the "Company" in this Quarterly Report on Form 10-Q refer to Shoe Carnival, Inc. and its subsidiaries.

Our consolidated financial statements include the accounts of Shoe Carnival, Inc. and its wholly-owned subsidiaries Rogan Shoes, Incorporated, SCHC, Inc. and Shoe Carnival Ventures, LLC, and SCLC, Inc., a wholly-owned subsidiary of SCHC, Inc. All intercompany accounts and transactions have been eliminated. 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 February 3, 2024.

Note 2 - Acquisition of Rogan Shoes

On February 13, 2024, we acquired all of the stock of Rogan Shoes, Incorporated, a privately-held 53-year-old work and family footwear company incorporated in Wisconsin ("Rogan's"), for an adjusted purchase price of \$44.8 million, net of \$2.2 million of cash acquired, which was paid with cash on hand. This included \$378,000 of purchase accounting adjustments which were paid in November 2024. Additional consideration of up to \$5.0 million may be paid by the Company subject to the achievement of three-year performance targets. At the time of the acquisition, Rogan's operated 28 store locations in Wisconsin, Minnesota and Illinois. The Rogan's acquisition advanced our strategy to be the nation's leading family footwear retailer. It immediately positioned us as the market leader in Wisconsin, and it established a store base in Minnesota, creating additional expansion opportunities. Rogan's is being integrated into our Shoe Station banner and our current plan is to brand and operate these stores over time using both the Rogan's and Shoe Station trade names.

Rogan's results were included in our consolidated financial statements since the acquisition date. Net Sales from our newly acquired Rogan's operations totaled \$22.3 million in the thirteen weeks ended November 2, 2024 and \$63.9 million from February 13, 2024 through November 2, 2024. For the thirteen and thirty-nine weeks ended November 2, 2024, acquisition-related costs of \$121,000 and \$539,000, respectively, were expensed as incurred and were included in Selling, General and Administrative Expenses. We also recognized a \$2.6 million goodwill measurement period adjustment related to adjusting our deferred income tax positions during third quarter 2024.

The following table summarizes the purchase price and the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed. We measured these fair values using Level 3 inputs. The excess purchase price over the fair value of net assets acquired was allocated to Goodwill.

(In thousands)

Purchase price:

Cash consideration, net of cash acquired	\$	44,762
Fair value of contingent consideration		3,600
Total purchase price	\$	48,362

Fair value of identifiable assets and liabilities:

Accounts receivable	\$	2,365
Merchandise inventories		42,340
Other assets		2,000
Operating lease right-of-use assets		16,891
Identifiable intangible assets		8,400
Goodwill		5,994
Total assets	\$	77,990
Accounts payable		6,308
Operating lease liabilities		19,843
Deferred income taxes		974
Accrued and other liabilities		2,503
Total liabilities	\$	29,628

Total fair value allocation of purchase price	\$	48,362
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Our fair value estimate of the Merchandise Inventories for Rogan's was determined using the Comparative Sales and Replacement Cost methods. Our fair value estimate of the contingent consideration for the Rogan's acquisition was determined using a Monte Carlo simulation and other methods that account for the probabilities of various outcomes and was recorded in Other long-term liabilities. Significant assumptions used for the valuation include the discount rate, projected cash flows and calculated volatility. Our fair value estimate related to the identified intangible asset of Rogan's trade name was determined using the Relief from Royalty method, and the significant assumptions used for the valuation include the royalty rate, estimated projected revenues, long-term growth rate and the discount rate. Our fair value estimates related to Rogan's customer relationships were determined using the Multi-Period Excess Earnings method, and the significant assumptions used for the valuation include projected cash flows, the discount rate and customer attrition rate.

Identifiable intangible assets include Rogan's trade name and customer relationships. We assigned an indefinite life to Rogan's trade name; therefore, Goodwill and Rogan's trade name will be charged to expense only if impaired. Impairment reviews will be conducted at least annually and involve a comparison of fair value to the carrying amount. If fair value is less than the carrying amount, an impairment loss would be recognized in Selling, General and Administrative Expenses. Customer relationships are subject to amortization and will be amortized over a period of 20 years. Goodwill and the acquisition-related Intangible Assets will not be deductible for tax purposes.

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					
	November 2, 2024			October 28, 2023		
	(In thousands, except per share data)					
	Net Income	Shares	Per Share Amount	Net Income	Shares	Per Share Amount
<u>Basic Net Income per Share:</u>						
Net income available for basic common shares and basic net income per share	\$ 19,242	27,161	\$ 0.71	\$ 21,861	27,258	\$ 0.80
<u>Diluted Net Income per Share:</u>						
Net income	\$ 19,242			\$ 21,861		
Conversion of stock-based compensation arrangements	0	404		0	142	
Net income available for diluted common shares and diluted net income per share	\$ 19,242	27,565	\$ 0.70	\$ 21,861	27,400	\$ 0.80

	Thirty-nine Weeks Ended					
	November 2, 2024			October 28, 2023		
	(In thousands, except per share data)					
	Net Income	Shares	Per Share Amount	Net Income	Shares	Per Share Amount
<u>Basic Net Income per Share:</u>						
Net income available for basic common shares and basic net income per share	\$ 59,101	27,154	\$ 2.18	\$ 57,828	27,272	\$ 2.12
<u>Diluted Net Income per Share:</u>						
Net income	\$ 59,101			\$ 57,828		
Conversion of stock-based compensation arrangements	0	334		0	161	
Net income available for diluted common shares and diluted net income per share	\$ 59,101	27,488	\$ 2.15	\$ 57,828	27,433	\$ 2.11

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. No unvested stock-based awards that will be settled in shares were excluded from the computation of Diluted Net Income per Share for the thirteen and thirty-nine weeks ended November 2, 2024 and October 28, 2023.

Note 4 - Recently Issued Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The guidance updates reportable segment disclosure requirements, primarily through increased disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, provide new segment disclosure requirements for entities with a single reportable segment, and contain other disclosure requirements. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments in the ASU will be applied retrospectively to all prior periods presented in the financial statements, using the significant segment expense categories identified and disclosed in the period of adoption. We are continuing to evaluate the impact of this new guidance but believe the adoption will not have a material impact on our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The guidance requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The ASU is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments in the ASU should be applied on a prospective basis, but retrospective application is permitted. We are continuing to evaluate the impact of this new guidance, but believe the adoption will not have a material impact on our consolidated financial statements.

In November 2024, the FASB issued 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 evaluating the impact of this new guidance, but believe the adoption will not have a material impact on our consolidated financial statements.

Note 5 - Fair Value Measurements

Financial Instruments

The following table presents financial instruments that are measured at fair value on a recurring basis at November 2, 2024, February 3, 2024 and October 28, 2023:

(In thousands)	Fair Value Measurements				
	Level 1	Level 2	Level 3	Total	
As of November 2, 2024					
Cash equivalents - money market mutual funds	\$ 65,529	\$ 0	\$ 0	\$ 65,529	
Marketable securities - mutual funds that fund deferred compensation	13,866	0	0	13,866	
Total	\$ 79,395	\$ 0	\$ 0	\$ 79,395	
As of February 3, 2024					
Cash equivalents - money market mutual funds	\$ 91,733	\$ 0	\$ 0	\$ 91,733	
Marketable securities - mutual funds that fund deferred compensation	12,247			12,247	
Total	\$ 103,980	\$ 0	\$ 0	\$ 103,980	
As of October 28, 2023					
Cash equivalents - money market mutual funds	\$ 53,275	\$ 0	\$ 0	\$ 53,275	
Marketable securities - mutual funds that fund deferred compensation	11,226			11,226	
Total	\$ 64,501	\$ 0	\$ 0	\$ 64,501	

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 November 2, 2024, 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 Selling, General and Administrative Expenses.

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)	November 2, 2024	February 3, 2024	October 28, 2023
Deferred compensation plan current liabilities	\$ 193	\$ 114	\$ 1,619
Deferred compensation plan long-term liabilities	13,449	11,639	9,770
Total deferred compensation plan liabilities	\$ 13,642	\$ 11,753	\$ 11,389
Marketable securities - mutual funds that fund deferred compensation	\$ 13,866	\$ 12,247	\$ 11,226

(In thousands)	Thirteen Weeks Ended November 2, 2024	Thirteen Weeks Ended October 28, 2023	Thirty-nine Weeks Ended November 2, 2024	Thirty-nine Weeks Ended October 28, 2023
Deferred compensation liabilities				
Employer contributions, net	\$ 83	\$ 62	\$ 234	\$ 233
Investment earnings (losses)	632	(1,031)	1,214	(375)
Marketable Securities				
Mark-to-market (gains) losses ⁽¹⁾	(585)	993	(1,169)	376
Net deferred compensation expense	\$ 130	\$ 24	\$ 279	\$ 234

(1) Included in the mark-to-market activity related to equity securities still held at quarter-end, we recognized an unrealized gain of \$568,000 and an unrealized loss of \$919,000 for the thirteen weeks ended November 2, 2024 and October 28, 2023, respectively, and unrealized gains of \$1,118,000 and \$141,000 for the thirty-nine weeks ended November 2, 2024 and October 28, 2023, 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 Selling, General and Administrative Expenses. 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. No impairment charges were recorded during the thirty-nine weeks ended November 2, 2024 or the thirty-nine weeks ended October 28, 2023.

Note 6 - Stock-Based Compensation

On June 20, 2023, our shareholders approved the Shoe Carnival, Inc. Amended and Restated 2017 Equity Incentive Plan (the "Amended 2017 Plan"). Pursuant to the amendment and restatement, the number of shares of our common stock that are available for issuance under the Amended 2017 Plan was increased by 1.8 million additional shares, the term of the plan was extended by an additional ten years from the date of shareholder approval, and certain other design changes were made to the plan. As of November 2, 2024, there were 1,703,287 shares available for issuance under the Amended 2017 Plan, assuming that all outstanding performance stock units where the performance condition has not been satisfied vest at the maximum level of performance.

Stock-based compensation includes share-settled awards issued pursuant to the Amended 2017 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 thirty-nine weeks ended November 2, 2024 and October 28, 2023, stock-based compensation expense was comprised of the following:

(In thousands)	Thirteen Weeks Ended November 2, 2024	Thirteen Weeks Ended October 28, 2023	Thirty-nine Weeks Ended November 2, 2024	Thirty-nine Weeks Ended October 28, 2023
Share-settled equity awards	\$ 1,623	\$ 1,242	\$ 4,926	\$ 3,566
Stock appreciation rights	0	(26)	221	(43)
Employee stock purchase plan	7	6	57	25
Total stock-based compensation expense	\$ 1,630	\$ 1,222	\$ 5,204	\$ 3,548
Income tax effect at statutory rates	\$ (397)	\$ (341)	\$ (1,266)	\$ (863)
Additional income tax benefit on vesting of share-settled awards	\$ 0	\$ (1)	\$ (109)	\$ (617)

As of November 2, 2024, approximately \$9.2 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 1.4 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 February 3, 2024	579,307	\$ 27.04
Granted	338,773	32.06
Vested	(46,333)	30.17
Forfeited/Unearned	(164,087)	24.98
Outstanding at November 2, 2024	<u>707,660</u>	<u>\$ 29.72</u>

The total fair value at grant date of restricted stock units and performance stock units that vested during the thirty-nine weeks ended November 2, 2024 and October 28, 2023 was \$1.4 million and \$4.8 million, respectively. The weighted-average grant date fair value of restricted stock units and performance stock units granted during the thirty-nine weeks ended October 28, 2023 was \$24.98. There were 159,954 shares that were not earned because the performance condition for performance stock units granted in Fiscal 2023 was not satisfied.

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

	Number of Shares	Weighted- Average Grant Date Fair Value
Outstanding at February 3, 2024	0	\$ 0.00
Granted	12,760	36.84
Vested	0	0.00
Forfeited	0	0.00
Outstanding at November 2, 2024	<u>12,760</u>	<u>\$ 36.84</u>

No restricted stock or other stock awards vested during the thirty-nine weeks ended November 2, 2024 or October 28, 2023. The weighted average grant date fair value of restricted stock awards granted during the thirty-nine weeks ended October 28, 2023 was \$21.90.

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 thirty-nine weeks ended November 2, 2024 and October 28, 2023 were as follows:

(In thousands)	Thirteen Weeks Ended November 2, 2024		Thirteen Weeks Ended October 28, 2023	
Non-Athletics:				
Women's	\$ 65,008	21%	\$ 72,850	23%
Men's	52,180	17	47,324	15
Children's	19,963	6	23,954	7
Total	137,151	44	144,128	45
Athletics:				
Women's	51,005	17	48,642	15
Men's	53,599	17	54,148	17
Children's	46,202	15	53,009	17
Total	150,806	49	155,799	49
Accessories	17,346	6	18,295	6
Other	1,582	1	1,692	0
Total	<u>\$ 306,885</u>	<u>100%</u>	<u>\$ 319,914</u>	<u>100%</u>

(In thousands)	Thirty-nine Weeks Ended November 2, 2024		Thirty-nine Weeks Ended October 28, 2023	
Non-Athletics:				
Women's	\$ 226,821	24 %	\$ 233,355	26 %
Men's	160,036	17	142,420	16
Children's	64,602	7	67,800	8
Total	451,459	48	443,575	50
Athletics:				
Women's	150,836	16	132,028	15
Men's	162,384	17	151,280	17
Children's	119,738	13	117,051	13
Total	432,958	46	400,359	45
Accessories	51,230	5	47,724	5
Other	4,299	1	4,055	0
Total	<u>\$ 939,946</u>	<u>100 %</u>	<u>\$ 895,713</u>	<u>100 %</u>

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 sales channels. 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 channels 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. 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 November 2, 2024, February 3, 2024 or October 28, 2023.

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 \$962,000 of refund liabilities and \$618,000 of right of return assets associated with estimated product returns were recorded in Accrued and Other Liabilities and Merchandise Inventories, respectively, as of November 2, 2024 and February 3, 2024. Approximately \$866,000 of refund liabilities and \$503,000 of right of return assets associated with estimated product returns were recorded in Accrued and Other Liabilities and Merchandise Inventories, respectively, at October 28, 2023.

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 November 2, 2024, February 3, 2024 and October 28, 2023, approximately \$2.4 million, \$2.4 million and \$1.8 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 thirty-nine weeks ended November 2, 2024, approximately \$943,000 and \$2.5 million, respectively, of loyalty rewards were recognized in Net Sales. During the thirteen and thirty-nine weeks ended October 28, 2023, approximately \$1.6 million and \$4.3 million, respectively, of loyalty rewards were recognized in Net Sales. At November 2, 2024, February 3, 2024 and October 28, 2023, approximately \$613,000, \$481,000 and \$956,000, 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 – Leases

We lease all of our physical stores, our Evansville distribution center, which has a current lease term expiring in 2034, and other warehousing and office space. We also enter into leases of equipment and other assets. Substantially all of our leases are operating leases; however, as a result of the acquisition of Rogan's, we also acquired 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 as of November 2, 2024.

Lease costs, including other related occupancy costs, reported in our Condensed Consolidated Statements of Income were as follows for the thirteen and thirty-nine weeks ended November 2, 2024 and October 28, 2023:

(In thousands)	Thirteen Weeks Ended November 2, 2024	Thirteen Weeks Ended October 28, 2023	Thirty-nine Weeks Ended November 2, 2024	Thirty-nine Weeks Ended October 28, 2023
Operating lease cost	\$ 17,889	\$ 16,035	\$ 52,375	\$ 47,860
Variable lease cost				
Occupancy costs	5,785	5,299	17,287	16,021
Percentage rent and other variable lease costs	220	395	492	1,019
Finance lease cost				
Amortization of leased assets	30	0	45	0
Interest on lease liabilities	2	0	8	0
Total	\$ 23,926	\$ 21,729	\$ 70,207	\$ 64,900

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

Factors That May Affect Future Results

This Quarterly Report on Form 10-Q contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve a number of risks and uncertainties. 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 these forward-looking statements. These factors include, but are not limited to: our ability to control costs and meet our labor needs in a rising wage, inflationary, and/or supply chain constrained environment; the impact of competition and pricing, including our ability to maintain current promotional intensity levels; the effects and duration of economic downturns and unemployment rates; our ability to achieve expected operating results from, and planned growth of, our Shoe Station banner, which includes the recently acquired stores and operations of Rogan's, within expected time frames, or at all; the potential impact of national and international security concerns, including those caused by war and terrorism, on the retail environment; general economic conditions in the areas of the continental United States and Puerto Rico where our stores are located; changes in the overall retail environment and more specifically in the apparel and footwear retail sectors; our ability to successfully utilize the e-commerce sales channel and its impact on traffic and transactions in our physical stores; the success of the open-air shopping centers where many of our stores are located and the impact on our ability to attract customers to our stores; our ability to attract customers to our e-commerce platform and to successfully grow our omnichannel sales; the effectiveness of our inventory management, including our ability to manage key merchandise vendor relationships and direct-to-consumer initiatives; changes in our relationships with other key suppliers; changes in the political and economic environments in, the status of trade relations with, and the impact of changes in trade policies and tariffs impacting, China and other countries which are the major manufacturers of footwear; our ability to successfully manage and execute our marketing initiatives and maintain positive brand perception and recognition; our ability to successfully manage our current real estate portfolio and leasing obligations; changes in weather, including patterns impacted by climate change; changes in consumer buying trends and our ability to identify and respond to emerging fashion trends; the impact of disruptions in our distribution or information technology operations, including at our distribution center located in Evansville, IN; the impact of natural disasters, public health and political crises, civil unrest, and other catastrophic events on our operations and the operations of our suppliers, as well as on consumer confidence and purchasing in general; the duration and spread of a public health crisis and the mitigating efforts deployed, including the effects of government stimulus on consumer spending; risks associated with the seasonality of the retail industry; the impact of unauthorized disclosure or misuse of personal and confidential information about our customers, vendors and employees, including as a result of a cybersecurity breach; our ability to effectively integrate Rogan's, retain Rogan's employees, and achieve the expected operating results, synergies, efficiencies and other benefits from the Rogan's acquisition within the expected time frames, or at all; risks that the Rogan's acquisition may disrupt our current plans and operations or negatively impact our relationship with our vendors and other suppliers; our ability to successfully execute our business strategy, including the availability of desirable store locations at acceptable lease terms, our ability to identify, consummate or effectively integrate future acquisitions, our ability to implement and adapt to new technology and systems, our ability to open new stores in a timely and profitable manner, including our entry into major new markets, and the availability of sufficient funds to implement our business plans; higher than anticipated costs associated with the closing of underperforming stores; the inability of manufacturers to deliver products in a timely manner; an increase in the cost, or a disruption in the flow, of imported goods; the impact of regulatory changes in the United States, including minimum wage laws and regulations, and the countries where our manufacturers are located; the resolution of litigation or regulatory proceedings in which we are or may become involved; continued volatility and disruption in the capital and credit markets; future stock repurchases under our stock repurchase program and future dividend payments. For a more detailed discussion of risk factors impacting us, see the "Risk Factors" section of our Annual Report on Form 10-K for the fiscal year ended February 3, 2024.

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 on Form 10-Q, as well as our Annual Report on Form 10-K for the fiscal year ended February 3, 2024 as filed with the SEC. This section of this Quarterly Report on Form 10-Q generally discusses our results for third quarter 2024 and third quarter 2023 and year-over-year comparisons between third quarter 2024 and third quarter 2023, as well as year-to-date results for, and comparisons between, the two periods.

Referred to herein, third quarter 2024 is the thirteen weeks ended November 2, 2024 and third quarter 2023 is the thirteen weeks ended October 28, 2023. Also referred to herein, year-to-date 2024 is the thirty-nine weeks ended November 2, 2024 and year-to-date 2023 is the thirty-nine weeks ended October 28, 2023.

Overview of Our Business

Shoe Carnival, Inc. is one of the nation's largest omnichannel family footwear retailers. On December 3, 2021, we began operating under two banners: Shoe Carnival and Shoe Station. On February 13, 2024, we furthered our acquisition strategy by acquiring all of the stock of Rogan Shoes, Incorporated ("Rogan's"). The acquisition of Rogan's added 28 physical stores (25 in Wisconsin, 2 in Minnesota, and 1 in Illinois) to our portfolio, positioned us as the market leader in Wisconsin and established a store base in Minnesota, creating additional expansion opportunities. As previously noted, Rogan's is being integrated into our Shoe Station banner and our current plan is to brand and operate these stores over time using both the Rogan's and Shoe Station trade names. More information about the acquisition of Rogan's can be found in Note 2 — "Acquisition of Rogan Shoes" to our Notes to Condensed Consolidated Financial Statements contained in PART I, ITEM 1 of this Quarterly Report on Form 10-Q.

Our objective is to be the nation's leading family footwear retailer. Our product assortment, whether shopping in a physical store or through our e-commerce sales channels, is primarily branded footwear and includes dress and casual shoes, sandals, boots and a wide assortment of athletic shoes. Our typical physical store carries shoes in two general categories – athletics and non-athletics with subcategories for men's, women's and children's, as well as a broad range of accessories. In addition to our physical stores, through our e-commerce sales channels, customers can purchase the same assortment of merchandise in all categories of footwear with expanded options in certain instances.

Our stores under the Shoe Carnival banner combine competitive pricing with a high-energy in-store environment that encourages customer participation. Footwear in our Shoe Carnival physical stores is organized by category and brand, creating strong brand statements within the aisles. These brand statements are underscored by branded signage on endcaps and in-line signage throughout the store. Our signage may highlight a vendor's product offerings or sales promotions, or may highlight seasonal or lifestyle statements by grouping similar footwear from multiple vendors.

The Shoe Station banner and retail locations, including Rogan's locations, are a complementary retail platform for us to serve a broader base of family footwear customers in both urban and suburban demographics. The Shoe Station concept targets a more affluent family footwear customer and has a strong track record of capitalizing on emerging footwear fashion trends and introducing new brands. Due to the larger average size of our Shoe Station stores and the targeted, more affluent customer, these locations provide a primary destination shopping experience.

We believe our distinctive shopping experiences give us various competitive advantages, including increased multiple unit sales; the building of a loyal, repeat customer base; the creation of word-of-mouth advertising; and enhanced sell-through of in-season goods.

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 February 3, 2024, and there have been no material changes to those critical accounting policies.

Results of Operations Summary Information

Quarter Ended	Number of Stores					Store Square Footage		Comparable Store Net Sales ⁽¹⁾
	Beginning of Period	Opened	Acquired	Permanently Closed	End of Period	Net Change	End of Period	
May 4, 2024	400	2	28	0	430	377,000	4,946,000	(3.4)%
August 3, 2024	430	1	0	1	430	2,000	4,948,000	(2.1)%
November 2, 2024	430	1	0	0	431	28,000	4,976,000	(4.1)%
Year-to-date	400	4	28	1	431	407,000	4,976,000	(3.2)%
April 29, 2023	397	1	0	1	397	5,000	4,510,000	(11.9)%
July 29, 2023	397	2	0	0	399	32,000	4,542,000	(6.5)%
October 28, 2023	399	2	0	0	401	38,000	4,580,000	(7.4)%
Year-to-date	397	5	0	1	401	75,000	4,580,000	(8.6)%

(1)Comparable stores Net Sales is a key performance indicator for us. Comparable stores Net Sales include stores that have been open for 13 full months after such stores' grand opening or acquisition prior to the beginning of the period, including those stores that have been relocated, remodeled or rebannered. Therefore, stores recently opened, acquired or permanently closed are not included in comparable stores Net Sales. We generally include e-commerce sales in our comparable stores 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. E-commerce sales channels associated with a physical store acquisition will not be included in comparable stores Net Sales until the initial physical stores are included. The 21 original Shoe Station stores acquired and the www.shoestation.com e-commerce site that went live in early February 2023 were included in comparable stores Net Sales calculations beginning in first quarter 2023. All Rogan's sales (physical stores and e-commerce) are excluded from our comparable stores Net Sales.

Our fiscal year is a 52/53 week year ending on the Saturday closest to January 31. Fiscal 2023 consisted of the 53 weeks ended February 3, 2023, while Fiscal 2024 consists of the 52 weeks ending February 1, 2025. The 53rd week in Fiscal 2023 caused a one-week shift in our fiscal calendar. As a result, each of our first three quarters in Fiscal 2024 is shifted one week later compared to Fiscal 2023. This one-week shift impacts our year-over-year sales comparisons when there are seasonal sales influences that fall near the respective quarter-end dates. To minimize the effect of this fiscal calendar shift on comparable stores Net Sales, our reported comparable stores Net Sales results for third quarter 2024 in this Quarterly Report on Form 10-Q and our other public disclosures compare the thirteen-week and thirty-nine week periods ended November 2, 2024 to the thirteen-week and thirty-nine week periods ended November 4, 2023. As such, changes in comparable stores Net Sales may not be consistent with changes in Net Sales reported for the fiscal period.

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

	Thirteen Weeks Ended November 2, 2024	Thirteen Weeks Ended October 28, 2023	Thirty-nine Weeks Ended November 2, 2024	Thirty-nine Weeks Ended October 28, 2023
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales (including buying, distribution and occupancy costs)	64.0	63.2	64.1	64.1
Gross profit	36.0	36.8	35.9	35.9
Selling, general and administrative expenses	28.0	28.1	27.7	27.7
Operating income	8.0	8.7	8.2	8.2
Interest income, net	(0.3)	(0.2)	(0.2)	(0.2)
Income tax expense	2.0	2.1	2.1	1.9
Net income	6.3%	6.8%	6.3%	6.5%

Executive Summary for Third Quarter Ended November 2, 2024

During third quarter 2024, Net Sales of \$306.9 million were down \$13.0 million, or 4.1%, compared to third quarter 2023. Due to the calendar shift described above, an important week of the back-to-school season that was included in third quarter 2023 was moved into the second quarter in Fiscal 2024. The net effect of this shift decreased third quarter 2024 Net Sales by approximately \$20 million compared to third quarter 2023. In third quarter 2024, Net Sales otherwise increased \$7.0 million, or 2.2%, compared to third quarter 2023. This increase was led by Rogan's, which was acquired on February 13, 2024 and delivered third quarter 2024 Net Sales of approximately \$22.3 million, and new store growth from Shoe Station stores.

On a comparable store basis, which excludes the impact of the calendar shift, Rogan's sales and sales from other new stores, Net Sales were down 4.1%. During third quarter 2024, our comparable stores Net Sales grew in August due to our strong back-to-school performance; however, comparable stores Net Sales declined in September and October due to the impact of two hurricanes on approximately half of our stores and the shopping habits of our customer base in the affected locations and persistently warm weather, which has delayed demand for fall seasonal merchandise. In the quarter, boot sales were down 31%, reflecting approximately half of the comparable stores Net Sales decline in third quarter 2024. Comparable stores Net Sales growth in athletics partially offset these lower boot sales.

Long-term gross profit margin expansion has been a key driver of our profit transformation, led by our targeted promotional plans, buying strategies and growth of our customer loyalty program, Shoe Perks. During third quarter 2024, our gross profit margin was above 35% for the 15th consecutive quarter at 36.0% and decreased approximately 80 basis points compared to third quarter 2023, primarily due to higher buying, distribution and occupancy costs ("BD&O") from operating more stores and the deleveraging effect of the lower, shifted Net Sales during the quarter.

On a year-to-date basis, which now includes the material offsetting impacts of the retail calendar shift, Net Sales in 2024 totaled \$939.9 million, an increase of 4.9% versus year-to-date 2023 and gross profit margin was consistent with the prior year.

As market conditions softened in September and October, we lowered selling costs at Shoe Carnival and Shoe Station stores. These lower selling expenses reflected optimized advertising spend, driven by our digital-first marketing strategy. In third quarter 2024, our selling, general, and administrative expenses ("SG&A") were lower than third quarter 2023 by \$3.9 million as these lower store selling expenses more than offset the cost of operating Rogan's stores. While Rogan's costs were an additional expense in third quarter 2024 compared to third quarter 2023, those cost increases were mitigated by the synergies captured during third quarter 2024 from completing the integration of Rogan's store operations, marketing, e-commerce platforms, point-of-sale systems, merchandising and back office functions. We currently estimate that Rogan's synergy capture will be over \$1 million in Fiscal 2024, with a significant portion of that recognized in third quarter 2024.

Third quarter 2024 Operating Income totaled \$24.5 million and decreased 12.2% versus third quarter 2023, primarily due to the lower Net Sales from the calendar shift and soft demand in September and October. These declines were partially offset by growth, principally from the Rogan's acquisition and related synergies, as well as lower SG&A.

Operating Income in third quarter 2024 included \$369,000 in merger and integration expenses related to the Rogan's acquisition, of which \$248,000 were in Cost of Sales and \$121,000 were in SG&A.

Third quarter 2024 Net Income was \$19.2 million, or \$0.70 per diluted share, compared to third quarter 2023 Net Income of \$21.9 million, or \$0.80 per diluted share. The decrease reflected the lower Operating Income and a higher effective tax rate.

Merchandise Inventories totaled \$406.6 million at the end of third quarter 2024, an increase of approximately \$38.3 million compared to the end of third quarter 2023, primarily reflecting Rogan's acquired inventory. Merchandise Inventories supporting the Shoe Carnival and Shoe Station bannered stores were approximately 1% lower on a dollar basis at the end of third quarter 2024 compared to the end of third quarter 2023.

At the end of third quarter 2024, we had total Cash, Cash Equivalents and Marketable Securities of \$91.1 million. Cash and Cash Equivalents increased \$17.3 million compared to the end of third quarter 2023, and cash flows from operations in year-to-date 2024 totaled \$58.1 million. Fiscal 2023 year end marked the 19th consecutive year we ended the fiscal year with no debt, and in year-to-date 2024, we continued to fund our operations and growth investments, including the purchase of Rogan's, from operating cash flows and without incurring debt. In year-to-date 2024, we have paid \$44.4 million for Rogan's and, based on the purchase price adjustments, we owed another \$378,000 that was paid in November 2024. Up to an additional \$5.0 million in consideration will be due in 2027 if three-year performance targets are met.

Results of Operations for Third Quarter Ended November 2, 2024 Compared to Third Quarter Ended October 28, 2023

Net Sales

Net Sales were \$306.9 million during third quarter 2024, a decrease of \$13.0 million or 4.1%, compared to third quarter 2023. The decrease reflected the impact of the calendar shift moving approximately \$20 million of Net Sales out of third quarter 2024. Net Sales otherwise increased \$7.0 million, or 2.2%, compared to third quarter 2023. This increase was primarily due to the acquisition of Rogan's, which added Net Sales of \$22.3 million in third quarter 2024, and new store growth in the Shoe Station banner, partially offset by a comparable stores Net Sales decline of 4.1%. During third quarter 2024, our comparable stores Net Sales grew in August due to our strong back-to-school performance; however, comparable stores Net Sales declined in September and October due to the impact of two hurricanes on approximately half of our stores and the shopping habits of our customer base in the affected locations and persistently warm weather, which has delayed demand for fall seasonal merchandise. In third quarter 2024, boot sales were down 31%, reflecting approximately half of the comparable stores Net Sales decline in the quarter. E-commerce sales were approximately 11% of merchandise sales in third quarter 2024, compared to 10% in third quarter 2023.

Gross Profit

Gross Profit was \$110.4 million during third quarter 2024, a decrease of \$7.3 million compared to third quarter 2023. Gross profit margin in third quarter 2024 was 36.0% compared to 36.8% in third quarter 2023. The decrease in gross profit margin was driven by BD&O, which increased in third quarter 2024 compared to third quarter 2023 due to higher occupancy costs associated with operating more stores and the deleveraging effect of lower Net Sales in third quarter 2024 compared to third quarter 2023. The decrease in gross profit margin was partially offset by a 50 basis point increase in merchandise margin in third quarter 2024 compared to third quarter 2023.

Selling, General and Administrative Expenses

SG&A decreased \$3.9 million in third quarter 2024 to \$85.9 million compared to \$89.8 million in third quarter 2023. The decrease in SG&A expenses was due primarily to lower selling costs at Shoe Carnival and Shoe Station bannered stores, partially offset by the costs associated with operating the recently acquired Rogan's stores. As a percentage of Net Sales, SG&A were 28.0% in third quarter 2024 compared to 28.1% in third quarter 2023.

Interest Income and Interest Expense

Changes in our interest income and expense increased our income before taxes by \$247,000 in third quarter 2024 compared to third quarter 2023. This increase was primarily due to higher interest earned on invested cash balances.

Income Taxes

The effective income tax rate for third quarter 2024 was 24.7% compared to 23.8% for third quarter 2023. 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. The higher effective tax rate in third quarter 2024 compared to third quarter 2023 was primarily due to discrete adjustments recorded in third quarter 2023 that did not recur in third quarter 2024. For the full 2024 fiscal year, we expect our tax rate to be between 25.6% and 26.0% compared to the 23.7% effective tax rate recognized during the full 2023 fiscal year.

Results of Operations Year-to-Date Through November 2, 2024 Compared to Year-to-Date Through October 28, 2023

Net Sales

Net Sales were \$939.9 million during year-to-date 2024 and increased 4.9% compared to year-to-date 2023. The increase was primarily due to the acquisition of Rogan's, which added Net Sales of \$63.9 million, and new store growth in the Shoe Station banner, partially offset by a 3.2% decrease in comparable stores Net Sales. E-commerce sales were approximately 10% of merchandise sales in year-to-date 2024, compared to 9% in year-to-date 2023. Year-to-date 2024 e-commerce sales were favorably impacted by the relaunch of www.shoecarnival.com in third quarter 2023 and the launch of www.shoestation.com in first quarter 2023.

Gross Profit

Gross Profit was \$337.1 million during year-to-date 2024, an increase of \$15.4 million compared to year-to-date 2023. Gross profit margin was 35.9% in both year-to-date 2024 and year-to-date 2023. This consistency was driven by stable merchandise margins and stable BD&O as a percentage of Net Sales in year-to-date 2024 compared to year-to-date 2023.

Selling, General and Administrative Expenses

SG&A increased \$11.9 million, or 4.8%, in year-to-date 2024 to \$260.0 million compared to \$248.1 million in year-to-date 2023. The increase was primarily due to higher compensation-related costs, including compensation costs related to Rogan's, and other Rogan's-related operating expenses in year-to-date 2024, partially offset by other lower selling costs at Shoe Carnival and Shoe Station stores. As a percentage of Net Sales, SG&A were 27.7% in both year-to-date 2024 and year-to-date 2023.

Interest Income and Interest Expense

Changes in our interest income and expense increased our income before taxes by \$675,000 in year-to-date 2024 compared to year-to-date 2023. This increase was primarily due to higher interest earned on invested cash balances.

Income Taxes

The effective income tax rate for year-to-date 2024 was 25.5% compared to 23.0% for year-to-date 2023. The higher effective tax rate in year-to-date 2024 compared to year-to-date 2023 was due to the decrease in tax benefits from share-settled equity awards in year-to-date 2024 and a state deferred tax benefit and other discrete adjustments included in year-to-date 2023 that did not recur in Fiscal 2024.

Liquidity and Capital Resources

Our primary sources of liquidity are \$91.1 million of Cash, Cash Equivalents and Marketable Securities on hand at the end of third quarter 2024, 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 working capital, which are principally inventory purchases, investments in our stores, such as rebanners and new stores, remodels and relocations, distribution center initiatives, lease payments associated with our real estate leases, potential dividend payments, potential share

repurchases under our share repurchase program and the financing of capital projects, including investments in new systems. As part of our growth strategy, we have also pursued strategic acquisitions of other footwear retailers.

Cash Flow - Operating Activities

Net cash generated from operating activities was \$58.1 million in year-to-date 2024 compared to \$69.4 million in year-to-date 2023. The change in operating cash flow was primarily driven by the timing of inventory and prepaid contracts payments.

Working capital increased on a year-over-year basis and totaled \$391.3 million at November 2, 2024 compared to \$340.6 million at October 28, 2023. The increase was primarily attributable to higher Merchandise Inventories and Accounts Receivable levels due to the acquisition of Rogan's and a higher cash balance, partially offset by higher Accounts Payable. Our current ratio was 3.9 as of November 2, 2024 compared to 3.8 as of October 28, 2023.

Cash Flow – Investing Activities

Our cash outflows for investing activities are normally for capital expenditures. During year-to-date 2024 and 2023, we expended \$24.8 million and \$43.6 million, respectively, for the purchase of Property and Equipment, primarily related to store remodels and rebanners and opening four new Shoe Station stores.

Our Rogan's acquisition in first quarter 2024 resulted in the payment of initial cash consideration of \$44.4 million, net of cash acquired, during year-to-date 2024. Additional information regarding the Rogan's acquisition, including information on the additional contingent consideration of up to \$5.0 million, can be found in Note 2 — "Acquisition of Rogan Shoes" to our Notes to Condensed Consolidated Financial Statements contained in PART I, ITEM 1 of this Quarterly Report on Form 10-Q.

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 \$13.9 million at November 2, 2024, compared to \$12.2 million at February 3, 2024 and \$11.2 million at October 28, 2023. 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 2024, net cash used in financing activities was \$11.6 million compared to \$17.2 million during year-to-date 2023. The decrease in net cash used in financing activities was primarily due to the repurchase of \$5.4 million of shares in year-to-date 2023 under our Board of Directors' authorized share repurchase program compared to none in year-to-date 2024 and the decrease in shares surrendered by employees to pay taxes on stock-based compensation awards, partially offset by 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 November 2, 2024.

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 2024, we did not borrow or repay funds under the Credit Agreement. Letters of credit outstanding were \$1.0 million at November 2, 2024 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 9 – "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 February 3, 2024 for a further discussion of our Credit Agreement and its covenants.

Capital Expenditures

Capital expenditures for Fiscal 2024, including actual expenditures in year-to-date 2024, are expected to be between \$30 million and \$35 million, with approximately \$20 million to \$25 million to be used for new and rebannered stores and remodels and approximately \$10 million to \$15 million for upgrades to our Evansville distribution center and e-commerce sales channels, various other store improvements, continued investments in technology and normal asset replacement activities. The resources allocated to projects are subject to near-term changes depending on the supply chain and potential inflationary 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, remodeled and relocated 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.

Store Portfolio

We opened four new Shoe Station branded stores, permanently closed one Shoe Carnival branded store and acquired 28 Rogan's stores, which over time are being integrated into our Shoe Station banner, in year-to-date 2024. Increasing market penetration by adding new stores is a key component of our growth strategy. We currently have 431 stores and are targeting operating over 500 stores in 2028. We believe our current store footprint provides for growth in new markets within the United States as well as fill-in opportunities within existing markets. Since our acquisition of Shoe Station in December 2021, we have gained valuable insights about the Shoe Station customer base and have defined markets where we believe a Shoe Station bannered store may outperform our current Shoe Carnival bannered store located in those markets. The Company advanced its store rebanner growth strategy during third quarter 2024, with seven Shoe Carnival stores being rebannered to Shoe Station stores. Ten stores have now been rebannered. Through third quarter 2024, rebannered stores have outperformed expectations, and based on the successful results of the strategy to date, we plan to rebanner 25 additional Shoe Carnival stores to Shoe Station stores in the first half of Fiscal 2025. Future store growth may continue to be impacted by macroeconomic uncertainty, our ability to identify desirable locations and/or acquisition partners and increased focus on our emerging store rebanner strategy.

Dividends and Share Repurchases

On September 17, 2024, the Board of Directors approved the payment of a third quarter 2024 cash dividend paid to our shareholders. The quarterly cash dividend of \$0.135 per share was paid on October 21, 2024 to shareholders of record as of the close of business on October 7, 2024. In third quarter 2023, the dividend paid was \$0.120 per share. During year-to-date 2024 and 2023, we returned \$11.0 million and \$8.9 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 14, 2023, our Board of Directors authorized a share repurchase program for up to \$50.0 million of our outstanding common stock, effective January 1, 2024 (the "2024 Share Repurchase Program"). The purchases may be made in the open market or through privately negotiated transactions from time-to-time through December 31, 2024 and in accordance with applicable laws, rules and regulations. The 2024 Share Repurchase Program may be amended, suspended, or discontinued at any time and does not commit us to repurchase shares of our common stock. 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.

No share repurchases have been made to date in Fiscal 2024. During year-to-date 2023, we repurchased 230,696 shares of common stock at a total cost of \$5.4 million.

Our Credit Agreement permits the payment of dividends and repurchase of shares, subject to certain covenants and restrictions. See "Credit Agreement" above and Note 9 — "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 February 3, 2024 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 year-to-date 2024.

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 on Form 10-Q 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 2024.

ITEM 4. CONTROLS AND PROCEDURES

Our Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of November 2, 2024, 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 Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

On February 13, 2024, we acquired all of the stock of Rogan's, a privately-held, 53-year-old work and family footwear company. Under the SEC's rules and regulations, we are currently integrating Rogan's into management's assessment of the effectiveness of our internal control over financial reporting as of February 1, 2025.

There have been no significant changes in our internal control over financial reporting that occurred during the quarter ended November 2, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

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 February 3, 2024.

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

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number Of Shares Purchased as Part of Publicly Announced Programs ⁽¹⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under Programs ⁽¹⁾
August 4, 2024 to August 31, 2024	0	\$ 0.00	0	\$ 50,000,000
September 1, 2024 to October 5, 2024	0	\$ 0.00	0	\$ 50,000,000
October 6, 2024 to November 2, 2024	0	\$ 0.00	0	\$ 50,000,000
	0		0	

(1) On December 14, 2023, our Board of Directors authorized the 2024 Share Repurchase Program for up to \$50.0 million of our outstanding common stock, effective January 1, 2024 and expiring on December 31, 2024.

ITEM 5. OTHER INFORMATION

During third quarter 2024, 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.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit No.	Description	Incorporated by Reference To			Filed Herewith
		Form	Exhibit	Filing Date	
3-A	Amended and Restated Articles of Incorporation of Registrant	8-K	3-A	06/27/2022	
3-B	By-laws of Registrant, as amended to date	8-K	3.B	03/17/2023	
10.1	Amended and Restated Employment and Noncompetition Agreement, dated as of November 1, 2024, between the Company and Mark J. Worden	8-K	10.1	11/04/2024	
10.2	Amended and Restated Employment and Noncompetition Agreement, dated as of November 1, 2024, between the Company and Marc A. Chilton	8-K	10.2	11/04/2024	
10.3	Amended and Restated Employment and Noncompetition Agreement, dated as of November 1, 2024, between the Company and Patrick C. Edwards	8-K	10.3	11/04/2024	
10.4	Amended and Restated Employment and Noncompetition Agreement, dated as of November 1, 2024, between the Company and Carl N. Scibetta	8-K	10.4	11/04/2024	
10.5	Shoe Carnival, Inc. Amended and Restated 2017 Equity Incentive Plan, as amended November 1, 2024				X
10.6	Shoe Carnival, Inc. Amended and Restated 2016 Executive Incentive Compensation Plan, as amended November 1, 2024				X
10.7	Amended Form of Restricted Stock Unit Award Agreement under the Company's 2017 Equity Incentive Plan (Executive Officers)				X
10.8	Amended Form of Restricted Stock Unit Award Agreement under the Company's Amended and Restated 2017 Equity Incentive Plan (Executive Officers)				X
31.1	Certification of 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 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

EXHIBIT INDEX - Continued

Exhibit No.	Description	Incorporated by Reference To			Filed Herewith
		Form	Exhibit	Filing Date	
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

**SHOE CARNIVAL, 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: December 6, 2024

SHOE CARNIVAL, INC.
(Registrant)

By: /s/ Patrick C. Edwards
Patrick C. Edwards
Senior Vice President,
Chief Financial Officer, Treasurer and Secretary
(Duly Authorized Officer and Principal Financial and Accounting Officer)

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

1. General.

(a) Purpose. The purpose of the Shoe Carnival, 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 on November 1, 2024 (the “Amendment Date”).

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 Carnival, Inc., an Indiana corporation, 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 Carnival, 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 CARNIVAL, INC. AMENDED AND RESTATED 2016 EXECUTIVE
INCENTIVE COMPENSATION PLAN
(As Amended)**

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, 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.

"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 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.

"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 Carnival, Inc. Amended and Restated 2016 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 January 31, 2026.

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, 2002

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

**SHOE CARNIVAL, INC.
2017 EQUITY INCENTIVE PLAN**

**Restricted Stock Unit Award Agreement
(Executive Officers)
(As Amended)**

Shoe Carnival, Inc. (the "Company"), pursuant to its 2017 Equity Incentive Plan (the "Plan"), hereby grants an award of Restricted Stock Units to you, the Participant named below. The terms and conditions of this Award are set forth in this Restricted Stock Unit Award Agreement, as amended (the "Agreement"), consisting of this cover page and the Terms and Conditions on the following pages, and in the Plan document, a copy of which has been provided or otherwise made available to you and is incorporated by reference and made a part of this Agreement. Any capitalized term that is used but not defined in this Agreement shall have the meaning set forth in the Plan as it currently exists or as it is amended in the future.

Name of Participant: [_____]			
Number of Restricted Stock Units: [_____]	Grant Date: [_____]		
<p>Vesting Schedule:</p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center; width: 50%;"><u>Scheduled Vesting Dates</u></td> <td style="text-align: center; width: 50%;"><u>Number of Restricted Stock Units that Vest</u></td> </tr> </table>		<u>Scheduled Vesting Dates</u>	<u>Number of Restricted Stock Units that Vest</u>
<u>Scheduled Vesting Dates</u>	<u>Number of Restricted Stock Units that Vest</u>		

By signing below or otherwise evidencing your acceptance of this Agreement in a manner approved by the Company, you agree to all of the terms and conditions contained in this Agreement and in the Plan document. You acknowledge that you have received and reviewed these documents.

PARTICIPANT:

SHOE CARNIVAL, INC.

[Name]

By: _____
Name:
Title:

**Shoe Carnival, Inc.
2017 Equity Incentive Plan
Restricted Stock Unit Award Agreement**

Terms and Conditions

1. **Grant of Restricted Stock Units.** The Company hereby grants to you, as of the Grant Date specified on the cover page of this Agreement (the "Grant Date") and subject to the terms and conditions in this Agreement and the Plan, an Award of the number of Restricted Stock Units specified on the cover page of this Agreement (the "Units"). Each Unit represents the right to receive one Share of the Company's Stock. Prior to their settlement or forfeiture in accordance with the terms of this Agreement, the Units granted to you will be credited to an account in your name maintained by the Company. This account shall be unfunded and maintained for book-keeping purposes only, with the Units simply representing an unfunded and unsecured contingent obligation of the Company.

2. **Restrictions Applicable to Units.** Neither this Award nor the Units subject to this Award may be sold, assigned, transferred, exchanged or encumbered, voluntarily or involuntarily, other than a transfer upon your death in accordance with your will, by the laws of descent and distribution or pursuant to a beneficiary designation submitted in accordance with Section 6(d) of the Plan. Following any such transfer, this Award shall continue to be subject to the same terms and conditions that were applicable to this Award immediately prior to its transfer. Any attempted transfer in violation of this Section 2 shall be void and without effect. The Units and your right to receive Shares in settlement of the Units under this Agreement shall be subject to forfeiture as provided in Section 4 of this Agreement until satisfaction of the vesting conditions set forth in Section 3 of this Agreement.

3. **Vesting of Units.** For purposes of this Agreement, "Vesting Date" means any date, including the Scheduled Vesting Dates specified in the Vesting Schedule on the cover page of this Agreement, on which Units subject to this Agreement vest as provided in this Section 3. Notwithstanding the vesting and subsequent settlement of this Award, it shall remain subject to the provisions of Section 17 of the Plan.

(a) Scheduled Vesting. If you remain a Service Provider continuously from the Grant Date, then the Units will vest in the amounts and on the Scheduled Vesting Dates specified in the Vesting Schedule.

(b) Accelerated or Continued Vesting. The vesting of outstanding Units will be accelerated or continued under the circumstances provided below:

(1) *Death or Disability.* If your Service terminates prior to the final Scheduled Vesting Date due to your death or Disability, all of the unvested Units shall vest as of such termination date.

(2) *Termination by the Company without Cause or Voluntarily by You for Good Reason.* If your Service is terminated by the Company without Cause or voluntarily by you for Good Reason in accordance with the procedures set forth in [your [Amended and Restated] Employment and Noncompetition Agreement dated [] (the "Employment Agreement")][the Plan] prior to the final Scheduled Vesting Date, all of the unvested Units shall vest as of such termination date. For purposes of this Agreement, "Cause" and "Good Reason" are each as defined in [your Employment Agreement][the Plan].

(3)*Change in Control*. If a Change in Control occurs while you continue to be a Service Provider and prior to the final Scheduled Vesting Date, then all unvested Units shall immediately vest in full upon the occurrence of the Change in Control.

4. **Effect of Termination of Service**. Except as otherwise provided in accordance with Section 3(b) of this Agreement, if you cease to be a Service Provider, you will immediately forfeit all unvested Units.

5. **Settlement of Units**. After any Units vest pursuant to Section 3 of this Agreement, the Company shall, as soon as practicable (but no later than the 15th day of the third calendar month following the Vesting Date), cause to be issued and delivered to you (or to your personal representative or your designated beneficiary or estate in the event of your death, as applicable), one Share in payment and settlement of each vested Unit. Delivery of the Shares shall be effected by the issuance of a stock certificate to you, by an appropriate entry in the stock register maintained by the Company's transfer agent with a notice of issuance provided to you, or by the electronic delivery of the Shares to a brokerage account you designate, and shall be subject to the tax withholding provisions of Section 8 of this Agreement and compliance with all applicable legal requirements as provided in Section 18(c) of the Plan, and shall be in complete satisfaction and settlement of such vested Units. The Company will pay any original issue or transfer taxes with respect to the issue and transfer of Shares to you pursuant to this Agreement, and all fees and expenses incurred by it in connection therewith.

6. **Dividend Equivalents**. If the Company pays cash dividends on its Shares while any Units subject to this Agreement are outstanding, then the Company shall credit, as of each dividend payment date, a dollar amount of dividend equivalents to your account. The dollar amount of the dividend equivalents credited shall be determined by multiplying the number of Units credited to your account pursuant to this Agreement as of the dividend record date times the dollar amount of the cash dividend per Share. Your right to receive such accrued dividend equivalents shall vest, and the amount of the accrued dividend equivalents shall be paid in cash, to the same extent and at the same time as the underlying Units to which the dividend equivalents relate vest and are settled, as provided in Sections 3 and 5 of this Agreement. No interest shall accrue on any unpaid dividend equivalents. Any dividend equivalents accrued on Units that are forfeited in accordance with this Agreement shall also be forfeited.

7. **No Right to Continued Service or Future Awards**. This Agreement awards Units to you, but does not impose any obligation on the Company to make any future grants or issue any future awards to you or otherwise continue your participation under the Plan. This Agreement does not give you a right to continued Service with the Company or any Affiliate, and the Company or any such Affiliate may terminate your Service at any time without regard to the effect it may have upon you under this Agreement.

8. **Tax Consequences and Withholding**. As a condition precedent to the delivery of Shares in settlement of vested Units, you are required to make arrangements acceptable to the Company for payment of any federal, state, local or foreign withholding taxes that may be due as a result of the delivery of the Shares. The Company will retain a portion of the Shares that would otherwise be delivered to you in settlement of vested Units, which retained Shares shall have a Fair Market Value on the date the taxes are required to be withheld equal to the amount of taxes required to be withheld, unless you provide notice to the Company prior to the vesting date of the Units that you desire to pay cash or direct the Company (or any Affiliate) to withhold from payroll or other amounts payable to you any sums required to satisfy such withholding tax obligations, and otherwise agree to satisfy such obligations in accordance with the provisions of Section 14 of the Plan. Delivery of Shares in settlement of vested Units is subject to the satisfaction of applicable withholding tax obligations.

9. **No Shareholder Rights.** The Units subject to this Award do not entitle you to any rights of a holder of the Company's Stock. You will not have any of the rights of a shareholder of the Company in connection with the grant of Units subject to this Agreement unless and until Shares are issued to you in settlement of the Units as provided in Section 5 of this Agreement.

10. **Governing Plan Document.** This Agreement and the Award are subject to all the provisions of the Plan, including the confidentiality, non-solicitation, forfeiture and recovery provisions set forth in Section 17 of the Plan, and to all interpretations, rules and regulations which may, from time to time, be adopted and promulgated by the Board or the Committee pursuant to the Plan. All interpretations of the Committee and all related decisions or resolutions of the Board or the Committee shall be final and binding on the Company and you. If there is any conflict between the provisions of this Agreement and the Plan, the provisions of the Plan will govern, except to the extent that the terms and conditions of the Plan are supplemented or modified by this Agreement, as authorized by the Plan.

11. **Incentive Compensation Recovery Policy.** The Company's Incentive Compensation Recovery Policy, as may be amended from time to time, shall apply to the Units, any Shares delivered hereunder and any profits realized on the sale of such Shares to the extent that you are covered by such policy. If you are covered by such policy, the policy may apply to recoup Units awarded, any Shares delivered hereunder or profits realized on the sale of such Shares either before, on or after the date on which you become subject to such policy.

12. **Choice of Law.** This Agreement, the parties' performance hereunder, and the relationship between them shall be governed by, construed, and enforced in accordance with the laws of the State of Indiana, without giving effect to the choice of law principles thereof.

13. **Severability.** The provisions of this Agreement shall be severable and if any provision of this Agreement is found by any court to be unenforceable, in whole or in part, the remainder of this Agreement shall nevertheless be enforceable and binding on the parties. You also agree that any trier of fact may modify any invalid, overbroad or unenforceable provision of this Agreement so that such provision, as modified, is valid and enforceable under applicable law.

14. **Binding Effect.** This Agreement will be binding in all respects on your heirs, representatives, successors and assigns, and on the successors and assigns of the Company.

15. **Section 409A of the Code.** The award of Units as provided in this Agreement and any issuance of Shares or payment pursuant to this Agreement are intended to be exempt from Section 409A of the Code under the short-term deferral exception specified in Treas. Reg. § 1.409A-1(b)(4).

16. **Electronic Delivery and Acceptance.** The Company may deliver any documents related to this Restricted Stock Unit Award by electronic means and request your acceptance of this Agreement by electronic means. You hereby consent to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line (and/or voice activated) system established and maintained by the Company or the Company's third-party stock plan administrator.

**SHOE CARNIVAL, INC.
AMENDED AND RESTATED 2017 EQUITY INCENTIVE PLAN**

**Restricted Stock Unit Award Agreement
(Executive Officers)
(As Amended)**

Shoe Carnival, Inc. (the "Company"), pursuant to its Amended and Restated 2017 Equity Incentive Plan (the "Plan"), hereby grants an award of Restricted Stock Units to you, the Participant named below. The terms and conditions of this Award are set forth in this Restricted Stock Unit Award Agreement, as amended (the "Agreement"), consisting of this cover page and the Terms and Conditions on the following pages, and in the Plan document, a copy of which has been provided or otherwise made available to you and is incorporated by reference and made a part of this Agreement. Any capitalized term that is used but not defined in this Agreement shall have the meaning set forth in the Plan as it currently exists or as it is amended in the future.

Name of Participant: [_____]					
Number of Restricted Stock Units: [_____]	Grant Date: [_____]				
<p>Vesting Schedule:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center; border-bottom: 1px solid black;"><u>Scheduled Vesting Dates</u></td> <td style="width: 50%; text-align: center; border-bottom: 1px solid black;"><u>Number of Restricted Stock Units that Vest</u></td> </tr> <tr> <td style="height: 100px;"></td> <td></td> </tr> </table>		<u>Scheduled Vesting Dates</u>	<u>Number of Restricted Stock Units that Vest</u>		
<u>Scheduled Vesting Dates</u>	<u>Number of Restricted Stock Units that Vest</u>				

By signing below or otherwise evidencing your acceptance of this Agreement in a manner approved by the Company, you agree to all of the terms and conditions contained in this Agreement and in the Plan document. You acknowledge that you have received and reviewed these documents.

PARTICIPANT:

SHOE CARNIVAL, INC.

[Name]

By: _____
Name:
Title:

Shoe Carnival, Inc.
Amended and Restated 2017 Equity Incentive Plan
Restricted Stock Unit Award Agreement

Terms and Conditions

1. **Grant of Restricted Stock Units.** The Company hereby grants to you, as of the Grant Date specified on the cover page of this Agreement (the "Grant Date") and subject to the terms and conditions in this Agreement and the Plan, an Award of the number of Restricted Stock Units specified on the cover page of this Agreement (the "Units"). Each Unit represents the right to receive one Share of the Company's Stock. Prior to their settlement or forfeiture in accordance with the terms of this Agreement, the Units granted to you will be credited to an account in your name maintained by the Company. This account shall be unfunded and maintained for book-keeping purposes only, with the Units simply representing an unfunded and unsecured contingent obligation of the Company.

2. **Restrictions Applicable to Units.** Neither this Award nor the Units subject to this Award may be sold, assigned, transferred, exchanged or encumbered, voluntarily or involuntarily, other than a transfer upon your death in accordance with your will, by the laws of descent and distribution or pursuant to a beneficiary designation submitted in accordance with Section 6(d) of the Plan. Following any such transfer, this Award shall continue to be subject to the same terms and conditions that were applicable to this Award immediately prior to its transfer. Any attempted transfer in violation of this Section 2 shall be void and without effect. The Units and your right to receive Shares in settlement of the Units under this Agreement shall be subject to forfeiture as provided in Section 4 of this Agreement until satisfaction of the vesting conditions set forth in Section 3 of this Agreement.

3. **Vesting of Units.** For purposes of this Agreement, "Vesting Date" means any date, including the Scheduled Vesting Dates specified in the Vesting Schedule on the cover page of this Agreement, on which Units subject to this Agreement vest as provided in this Section 3. Notwithstanding the vesting and subsequent settlement of this Award, it shall remain subject to the provisions of Section 17 of the Plan.

(a) Scheduled Vesting. If you remain a Service Provider continuously from the Grant Date, then the Units will vest in the amounts and on the Scheduled Vesting Dates specified in the Vesting Schedule.

(b) Accelerated or Continued Vesting. The vesting of outstanding Units will be accelerated or continued under the circumstances provided below:

(1) *Death or Disability.* If your Service terminates prior to the final Scheduled Vesting Date due to your death or Disability, all of the unvested Units shall vest as of such termination date.

(2) *Termination by the Company without Cause or Voluntarily by You for Good Reason.* If your Service is terminated by the Company without Cause or voluntarily by you for Good Reason in accordance with the procedures set forth in your [Amended and Restated] Employment and Noncompetition Agreement dated [] (the "Employment Agreement") prior to the final Scheduled Vesting Date, all of the unvested Units shall vest as of such termination date. For purposes of this Agreement, "Cause" and "Good Reason" are each as defined in your Employment Agreement.

(3)*Change in Control*. If a Change in Control occurs while you continue to be a Service Provider and prior to the final Scheduled Vesting Date, then all unvested Units shall immediately vest in full upon the occurrence of the Change in Control.

4. **Effect of Termination of Service**. Except as otherwise provided in accordance with Section 3(b) of this Agreement, if you cease to be a Service Provider, you will immediately forfeit all unvested Units.

5. **Settlement of Units**. After any Units vest pursuant to Section 3 of this Agreement, the Company shall, as soon as practicable (but no later than the 15th day of the third calendar month following the Vesting Date), cause to be issued and delivered to you (or to your personal representative or your designated beneficiary or estate in the event of your death, as applicable), one Share in payment and settlement of each vested Unit. Delivery of the Shares shall be effected by the issuance of a stock certificate to you, by an appropriate entry in the stock register maintained by the Company's transfer agent with a notice of issuance provided to you, or by the electronic delivery of the Shares to a brokerage account you designate, and shall be subject to the tax withholding provisions of Section 8 of this Agreement and compliance with all applicable legal requirements as provided in Section 18(c) of the Plan, and shall be in complete satisfaction and settlement of such vested Units. The Company will pay any original issue or transfer taxes with respect to the issue and transfer of Shares to you pursuant to this Agreement, and all fees and expenses incurred by it in connection therewith.

6. **Dividend Equivalents**. If the Company pays cash dividends on its Shares while any Units subject to this Agreement are outstanding, then the Company shall credit, as of each dividend payment date, a dollar amount of dividend equivalents to your account. The dollar amount of the dividend equivalents credited shall be determined by multiplying the number of Units credited to your account pursuant to this Agreement as of the dividend record date times the dollar amount of the cash dividend per Share. Your right to receive such accrued dividend equivalents shall vest, and the amount of the accrued dividend equivalents shall be paid in cash, to the same extent and at the same time as the underlying Units to which the dividend equivalents relate vest and are settled, as provided in Sections 3 and 5 of this Agreement. No interest shall accrue on any unpaid dividend equivalents. Any dividend equivalents accrued on Units that are forfeited in accordance with this Agreement shall also be forfeited.

7. **No Right to Continued Service or Future Awards**. This Agreement awards Units to you, but does not impose any obligation on the Company to make any future grants or issue any future awards to you or otherwise continue your participation under the Plan. This Agreement does not give you a right to continued Service with the Company or any Affiliate, and the Company or any such Affiliate may terminate your Service at any time without regard to the effect it may have upon you under this Agreement.

8. **Tax Consequences and Withholding**. As a condition precedent to the delivery of Shares in settlement of vested Units, you are required to make arrangements acceptable to the Company for payment of any federal, state, local or foreign withholding taxes that may be due as a result of the delivery of the Shares. The Company will retain a portion of the Shares that would otherwise be delivered to you in settlement of vested Units, which retained Shares shall have a Fair Market Value on the date the taxes are required to be withheld equal to the amount of taxes required to be withheld, unless you provide notice to the Company prior to the vesting date of the Units that you desire to pay cash or direct the Company (or any Affiliate) to withhold from payroll or other amounts payable to you any sums required to satisfy such withholding tax obligations, and otherwise agree to satisfy such obligations in accordance with the provisions of Section 14 of the Plan. Delivery of Shares in settlement of vested Units is subject to the satisfaction of applicable withholding tax obligations.

9. **No Shareholder Rights**. The Units subject to this Award do not entitle you to any rights of a holder of the Company's Stock. You will not have any of the rights of a shareholder of the Company in

connection with the grant of Units subject to this Agreement unless and until Shares are issued to you in settlement of the Units as provided in Section 5 of this Agreement.

10. **Governing Plan Document.** This Agreement and the Award are subject to all the provisions of the Plan, including the confidentiality, non-solicitation, forfeiture and recovery provisions set forth in Section 17 of the Plan, and to all interpretations, rules and regulations which may, from time to time, be adopted and promulgated by the Board or the Committee pursuant to the Plan. All interpretations of the Committee and all related decisions or resolutions of the Board or the Committee shall be final and binding on the Company and you. If there is any conflict between the provisions of this Agreement and the Plan, the provisions of the Plan will govern, except to the extent that the terms and conditions of the Plan are supplemented or modified by this Agreement, as authorized by the Plan.

11. **Incentive Compensation Recovery Policy.** The Company's Amended and Restated Incentive Compensation Recovery Policy, as may be amended from time to time, shall apply to the Units, any Shares delivered hereunder and any profits realized on the sale of such Shares to the extent that you are covered by such policy. If you are covered by such policy, the policy may apply to recoup Units awarded, any Shares delivered hereunder or profits realized on the sale of such Shares either before, on or after the date on which you become subject to such policy.

12. **Choice of Law.** This Agreement, the parties' performance hereunder, and the relationship between them shall be governed by, construed, and enforced in accordance with the laws of the State of Indiana, without giving effect to the choice of law principles thereof.

13. **Severability.** The provisions of this Agreement shall be severable and if any provision of this Agreement is found by any court to be unenforceable, in whole or in part, the remainder of this Agreement shall nevertheless be enforceable and binding on the parties. You also agree that any trier of fact may modify any invalid, overbroad or unenforceable provision of this Agreement so that such provision, as modified, is valid and enforceable under applicable law.

14. **Binding Effect.** This Agreement will be binding in all respects on your heirs, representatives, successors and assigns, and on the successors and assigns of the Company.

15. **Section 409A of the Code.** The award of Units as provided in this Agreement and any issuance of Shares or payment pursuant to this Agreement are intended to be exempt from Section 409A of the Code under the short-term deferral exception specified in Treas. Reg. § 1.409A-1(b)(4).

16. **Electronic Delivery and Acceptance.** The Company may deliver any documents related to this Restricted Stock Unit Award by electronic means and request your acceptance of this Agreement by electronic means. You hereby consent to receive all applicable documentation by electronic delivery and to participate in the Plan through an on-line (and/or voice activated) system established and maintained by the Company or the Company's third-party stock plan administrator.

SHOE CARNIVAL, 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, Mark J. Worden, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shoe Carnival, 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 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: December 6, 2024

By: /s/ Mark J. Worden
Mark J. Worden
President and
Chief Executive Officer

SHOE CARNIVAL, 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, Patrick C. Edwards, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Shoe Carnival, 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 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: December 6, 2024

By: /s/ Patrick C. Edwards
Patrick C. Edwards
Senior Vice President,
Chief Financial Officer, Treasurer and Secretary

**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 Carnival, Inc. (the "Company") on Form 10-Q for the period ending November 2, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark J. Worden, 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: December 6, 2024

By: /s/ Mark J. Worden
Mark J. Worden
President and
Chief Executive Officer

**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 Carnival, Inc. (the "Company") on Form 10-Q for the period ending November 2, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Patrick C. Edwards, Senior Vice President, Chief Financial Officer, Treasurer and Secretary 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: December 6, 2024

By: /s/ Patrick C. Edwards
Patrick C. Edwards
Senior Vice President,
Chief Financial Officer, Treasurer and Secretary
