

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

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): March 26, 2025**

**Carter's, Inc.**

(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

001-31829  
(Commission File Number)

13-3912933  
(I.R.S. Employer  
Identification No.)

Phipps Tower,  
3438 Peachtree Road NE, Suite 1800

Atlanta, Georgia 30326  
(Address of principal executive offices, including zip code)  
(678) 791-1000

(Registrant's telephone number, including area code)

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	CRI	New York Stock Exchange

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

Emerging growth company

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

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On March 26, 2025, Carter's, Inc. (the "Company") announced that the Board of Directors of the Company (the "Board") approved the appointment of Douglas C. Palladini as Chief Executive Officer and President of the Company and a member of the Board, effective April 3, 2025 (the "Effective Date"). On the Effective Date, Richard F. Westenberger, currently serving as the Company's Interim Chief Executive Officer, will no longer serve in that capacity but will continue with the Company as its Senior Executive Vice President, Chief Financial Officer & Chief Operating Officer.

Mr. Palladini, age 58, currently serves as the founder and owner of Kickstand, LLC, a consulting and advisory business focused on brand and consumer strategy, which he founded in April 2022. From June 2004 to March 2022, Mr. Palladini served in various roles of increasing responsibility at Vans, a subsidiary of V.F. Corporation, culminating in his role as Global Brand President of Vans from July 2016 through March 2022.

In connection with Mr. Palladini's appointment, Mr. Palladini and the Company executed an offer letter on March 21, 2025 (the "Offer Letter"). Pursuant to the Offer Letter, during Mr. Palladini's employment with the Company, he will receive an initial base salary of \$1,200,000 per year, and an annual cash incentive opportunity at target of 150%, which will be prorated for fiscal year 2025. Commencing in the Company's fiscal year 2026, Mr. Palladini will be eligible to receive annual equity awards with a target value of \$5,500,000, pursuant to the terms of the Company's shareholder-approved equity plan.

Pursuant to the Offer Letter, Mr. Palladini will receive a sign-on equity grant with a grant date fair value of \$7,000,000, with 50% of the grant to be in the form of time-based restricted stock and 50% in the form of performance-based restricted stock. The time-based restricted stock will vest in four equal increments over a four-year period on each of the anniversaries of the grant date. The performance-based restricted stock will be earned upon achieving share price hurdles for 20 consecutive trading days over a three-year performance period, starting on the award grant date and ending on the third anniversary of the award grant date. Share price hurdles will be established using the closing price of stock on the date the shares are granted, using the following growth rates:

- 1/3 at 30% growth;
- 1/3 at 60% growth; and
- 1/3 at 90% growth.

The growth objectives may be achieved at any time over the three-year period, and the corresponding number of shares earned, but the shares will not vest until the end of the three-year period.

Mr. Palladini is expected to enter into the Company's previously disclosed Severance Agreement and participate in the employee benefit plans and programs provided by the Company to other senior executives. Mr. Palladini will be covered by any Company directors and officers insurance policies. Mr. Palladini will also be subject to the Company's restrictive covenants included in the Severance Agreement, which include restrictions relating to non-competition and non-solicitation for 24 months after the termination date and protection of confidential information.

The description of the Offer Letter in this Item 5.02 is qualified in its entirety by reference to the full text of the Offer Letter, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

There are no family relationships, as defined in Item 401 of Regulation S-K, between Mr. Palladini and any of the Company's executive officers or directors or persons nominated or chosen to become a director or executive officer. Mr. Palladini has not engaged in any transaction with the Company during the last fiscal year, and does not propose to engage in any transaction, that would be reportable under Item 404(a) of Regulation S-K.

**Item 7.01. Regulation FD Disclosure**

A copy of the Company's press release relating to the announcement described in Item 5.02, dated March 26, 2025, is furnished as Exhibit 99.1 to this Form 8-K.

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**Item 9.01. Financial Statements and Exhibits.**

<b>Exhibit Number</b>	<b>Description</b>
10.1	<a href="#">Offer Letter dated March 21, 2025</a>
99.1	<a href="#">Press Release of Carter's, Inc., dated March 26, 2025</a>
104	The cover page from this Current Report on Form 8-K, formatted as Inline XBRL

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**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934, Carter's, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

March 26, 2025

CARTER'S, INC.

By: /s/ Antonio D. Robinson

Name: Antonio D. Robinson

Title: Senior Vice President, General Counsel, Corporate Secretary, CSR & Chief Compliance Officer

March 21, 2025

Doug Palladini  
323 Sapphire Avenue  
Newport Beach, CA 92262

Dear Doug,

On behalf of Carter's, Inc. (the "Company"), we are pleased to offer you the position of Chief Executive Officer & President, located at our Atlanta, GA headquarters, pursuant to the terms and conditions set forth in this offer letter and in the Company's *Employee Success Guide*. This offer is contingent upon the satisfactory completion of reference and background checks, for which arrangements will be made prior to your first day of employment, and upon your submission of documentation establishing that you are able to legally work in the United States. You will be appointed to the Board of Directors upon your start date with the Company.

Start Date

Your start date will be April 3, 2025.

Reporting Relationship

You will report to the Board of Directors of the Company.

Base Salary

Your annual base salary will be \$1,200,000 which will be paid in bi-weekly installments of \$46,153.84 and subject to deductions for taxes and withholdings as required by law or policies of the Company. Your first paycheck will be issued on April 11, 2025.

Your eligibility for a merit increase is based on performance in the current fiscal year and is pro-rated based on your date of hire with the Company. You and the Company understand and agree that any merit increase is at the sole discretion of the Company, and that nothing in this letter constitutes a guarantee of any merit increase at any time or of any amount.

Bonus Potential

Your annual target bonus potential is 150%.

Your eligibility for a bonus is based on Company financial performance and individual performance in the current fiscal year and is pro-rated based on your date of hire with the Company. You must be employed with the Company at the time of payout to receive any approved bonus. You and the Company understand and agree that any bonus is at the sole discretion of the Company, and that nothing in this letter constitutes a guarantee of any bonus at any time or of any amount.

Annual Equity

Beginning with the 2026 fiscal year, you will be eligible for an annual equity grant. Subject to review and approval by the Compensation & Human Capital Committee of the Board of Directors (the "Committee"), at the first quarterly Committee meeting of 2026, you will be eligible for a target award opportunity with a grant date fair value of no less than \$5,500,000. The terms and conditions of any equity-based award, including the grant amount, grant date, type of award(s), vesting schedules and applicable performance metrics, will be determined by the Committee and set forth in the applicable award agreements and subject to the terms of the Carter's Amended and Restated Equity Incentive Plan (the "Plan").

### Sign-On Equity

On, or as soon as reasonably feasible following your start date, you will be granted a one-time equity award with a grant date fair value of \$7,000,000. The award will be split between 50% time-based restricted shares and 50% performance-based restricted shares. The number of shares granted will be determined by dividing the value of the grant by the closing price of a share of CRI common stock on the date of grant (rounded upwards as necessary to avoid vesting of partial shares).

The time-based restricted shares will vest in four equal increments over a four-year period, with 25% of the award vesting on each anniversary of the award grant date.

The performance-based restricted shares will be earned on achieving share price hurdles for 20 consecutive trading days over a three-year performance period, starting on the award grant date and ending on the third anniversary of the award grant date. Share price hurdles will be established using the closing price of stock on the date the shares are granted, using the growth rates listed below:

- 1/3 at 30% growth
- 1/3 at 60% growth
- 1/3 at 90% growth

The growth objectives may be achieved at any time over the three-year period, and the corresponding number of shares earned, but the shares will not vest until the end of the three-year period.

Other terms and conditions of the sign-on equity award will be set forth in the applicable award agreements and subject to the terms of the Plan.

### Vacation

You will be eligible for four weeks of vacation per calendar year. Your vacation will be pro-rated based on the month of your start date.

### Benefits

At Carter's, we offer a suite of valuable benefit offerings to meet the needs of our employees and their families. To participate in health and welfare benefits, you must complete benefits enrollment within 30 days of your hire date for benefits that are effective on your 31<sup>st</sup> day of employment. This 30-day enrollment window generally becomes available within a few days of your hire date, and you will enroll using your 6-digit Employee ID Number and Date of Birth. Benefits information, including your individual enrollment deadline, can be found in your new hire welcome letter/email, by logging into [CartersBenefitsCenter.com](http://CartersBenefitsCenter.com) or by calling the Benefits Center at 1-855-614-0186. You do not need to wait to receive new hire communications and are responsible for enrolling by your deadline regardless of whether communications are received. If you have questions about enrollment, call 1-855-614-0186 within 30 days of hire. If you do not act before the end of your 30-day window, your next opportunity to enroll or make changes to your benefits will be during the next available Annual Enrollment (unless you experience a Qualified Life Event as defined in the Summary Plan Description of The William Carter Company Welfare Benefit Plan).

### Relocation

You will be eligible for relocation services in accordance with the terms of the Company's relocation program. Additional details are outlined in the accompanying program summary. To receive this service, you will be required to sign a separate Relocation Expense Repayment agreement.

### Legal Fees

The Company will reimburse you for up to \$25,000 in reasonable legal and advisory fees incurred by you in connection with the execution of this document.

### Severance & Restrictive Covenants

This Letter is based on your representation that you are under no legal or other impediment to accepting our offer and performing the anticipated services or carrying out your responsibilities for the Company, and is subject to your execution of the Severance Agreement in the form attached hereto as Exhibit A, including the restrictive covenants contained therein.

### Indemnity; D&O Insurance

You will be subject to and covered by the by-laws of the Company, and any other agreement or procedure maintained by the Company with respect to indemnification, at all times during and following your employment, on a basis no less favorable than that of the Company's other officers and directors, and you shall be a named insured under the Company's D&O policies.

### Clawback Policy

You will be subject to any clawback or recoupment provisions as may be required pursuant to any applicable laws, government regulations, stock exchange listing requirements or Company policies in effect from time to time, including the Company's Clawback Policy.

### At-Will Employment

You acknowledge and agree that this offer is not intended to create a contractual obligation of any kind, a promise on the part of the Company to employ you for any specified period of time, or a promise on your part to serve the Company for any specified period of time. Accordingly, you acknowledge and agree that your employment with the Company is at-will and either party can terminate the relationship at any time with or without cause and with or without notice.

### Miscellaneous

This offer, together with the Severance Agreement to be entered into with you, constitute the entire agreement between you and the Company regarding your employment with the Company and supersedes any and all oral or written employment or compensation agreements, term sheets or discussions between you and the Company or its affiliates.

You agree to comply fully with all policies and procedures in effect for employees and executives, in each case as currently in effect and as may be amended from time to time.

You agree to retire as a member of the private company boards of directors or other governing bodies, with the timing to be agreed to with the Board of Directors of the Company.

This Letter will be construed in accordance with and governed by the laws of the State of Georgia without regard to conflicts of law principles.

Please acknowledge your receipt of this offer by signing below and returning the original to me. An additional copy is enclosed for your records.

Doug, we look forward to having you join Carter's, Inc. and building a successful career with us.

Please do not hesitate to reach out with any questions.

Sincerely,

/s/ William Montgoris

Name: William J. Montgoris  
Non-Executive Chairman of the Board of Directors  
Carter's, Inc.

Acknowledged:

/s/ Doug Palladini

Doug Palladini

3/21/2025

Date

Exhibit A – Form of Severance Agreement

[See attached]

## SEVERANCE AGREEMENT

This Severance Agreement (“Agreement”) is made as of \_\_\_\_\_, 2025, (the “Effective Date”), by and between The William Carter Company (the “Company”) and Doug Palladini (the “Executive”).

WHEREAS, the Company has determined that given the key nature of the Executive’s position, the interests of the Company will be best served by entering into an agreement with respect to certain aspects of the employment relationship and by providing the Executive the assurance of severance pay and benefits in the event that the Executive’s employment is terminated in specified circumstances.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, the parties agree as follows:

**1. Position and Duties.** During employment, the Executive shall serve as Chief Executive Officer & President of the Company and shall have the normal duties, responsibilities and authority of such position, subject to any limitations imposed by the bylaws of the Company and to the power of the boards of directors and other senior officers of the Company or its Company Affiliates to expand or limit such duties, responsibilities and authority and to override actions of Executive. Executive shall devote Executive’s best efforts and Executive’s full business time and attention (except for permitted vacation periods and reasonable periods of illness or other incapacity) to the business and affairs of the Company. Executive shall perform Executive’s duties and responsibilities to the best of Executive’s abilities in a diligent, trustworthy, business like and efficient manner.

**2. Base Salary and Bonus Opportunity.** During the term of Executive's employment hereunder, Executive's base salary shall be at an annual rate no less than the annual rate of base salary that was paid to the Executive during 2025. The Company's Board of Directors may, in its discretion, increase Executive's base salary at such times and in such amounts as it determines but at no time shall Executive's base salary, in effect from time to time, be decreased. Base salary shall be payable by the Company in regular installments in accordance with the Company's general payroll practices. During the term of Executive's employment hereunder, Executive shall participate in the Company's Amended and Restated Annual Incentive Compensation Plan (the "Bonus Plan"), as in effect from time to time, in accordance with the terms of such Bonus Plan. Executive's target bonus shall be equivalent to a percentage of base salary that is no less than the percentage of base salary that was set as the Executive's target bonus for fiscal year 2025.

**3. Term and Termination.** The Executive's employment hereunder shall continue until terminated in accordance with this Section 3.

(a) The Executive's employment shall terminate automatically in the event of the Executive’s death.

(b) The Company may terminate the Executive’s employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during the

Executive's employment hereunder. For purposes of this agreement, "disabled" means any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of the Executive's duties and responsibilities hereunder (notwithstanding the provision of any reasonable accommodation) for one hundred eighty (180) days during any period of three hundred and sixty-five (365) consecutive calendar days. The Board may designate another employee to act in the Executive's place during any period of the Executive's disability (and such designation shall not constitute Good Reason, as such term is defined in Section 12). If any question shall arise as to whether during any period the Executive is disabled, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive. If such question shall arise and the Executive shall fail to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

(c) The Company may terminate the Executive's employment hereunder (i) for Cause (as defined in Section 12) at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause, or (ii) at any time, without Cause, upon notice to the Executive.

(d) The Executive may terminate employment hereunder (i) for Good Reason (as defined and in accordance with the timing and procedural requirements set forth in Section 12) or (ii) without Good Reason at any time upon sixty (60) days' prior written notice, which notice period (or any portion thereof) may be waived by the Company without any further payment to the Executive.

#### **4. Payments and Benefits Upon Termination.**

(a) In the event of termination of employment, however so caused, the Company will pay the Executive (i) any base salary earned but not paid during the final payroll period of Executive's employment through the date of termination of employment (the "Separation Date"); (ii) pay for any vacation time earned but not used through the Separation Date, as reflected in Company records; and (iii) any business expenses incurred by the Executive but unreimbursed on the Separation Date, provided that such expenses and any required substantiation are submitted consistent with the terms of Company policy and that such expenses are reimbursable under Company policy (clauses (i), (ii) and (iii) together, "Final Compensation"). Other than business expenses described in Section 4(a)(iii) (which shall be paid in accordance with Company policy), Final Compensation shall be paid to the Executive (or the Executive's designated beneficiary or estate) within thirty (30) days following the Separation Date. The Company shall not have any further obligations to the Executive, except as set forth in Section 4(b) below.

(b) In the event that the Company terminates the Executive's employment other than for Cause (as defined in Section 12), or the Executive terminates employment for Good Reason (as defined in Section 12), in addition to Final Compensation, the Company will provide the Executive the following (clauses (i) through (iv), in the aggregate, the "Severance Benefits"), provided that the Executive meets all eligibility requirements for such Severance Benefits as set forth in this Agreement:

(i) the Company will continue to pay the Executive base salary, at the same rate as was in effect on the Separation Date, for the period of twenty-four (24) months following the Separation Date. Subject to Sections 5 and 6 below, such payments shall be in the form of salary continuation, payable in accordance with the normal payroll practices of the Company for its executives, with the first payment, which shall be retroactive to the day immediately following the Separation Date, being due and payable on the Company's next regular payday for executives that follows the expiration of sixty (60) calendar days from the date the Executive's employment terminates.

(ii) the Company will pay the Executive a pro-rata bonus for the fiscal year in which the Separation Date occurs, determined following the end of the fiscal year in which the Separation Date occurs. The amount of any such bonus shall be determined by multiplying the amount of the bonus that would have been paid to the Executive pursuant to the Company's Bonus Plan had the Executive remained employed for the full fiscal year (which determination shall disregard any individual performance goals which may have been set for Executive pursuant to the Company's Bonus Plan, and shall be based solely on the extent to which Company performance goals have been met) by a fraction, the numerator of which is the number of days the Executive was employed during the fiscal year in which the Separation Date occurs and the denominator of which is 365 (the "Pro-Rata Bonus"). The Pro-Rata Bonus will be payable at the time provided for, and in accordance with the provisions of, the Bonus Plan, but in no event earlier than January 1st or later than December 31st of the year following the year in which the Separation Date occurs.

(iii) provided that the Executive and the Executive's dependents are eligible to continue participation in the Company's group medical plans following the date the Executive's employment terminates under the federal law commonly known as "COBRA" and elect to do so in a timely manner, then, until the earlier of (A) eighteen (18) months following the Separation Date, (B) the date the Executive becomes eligible for coverage under the medical plan of another employer, or (C) the date the Executive otherwise ceases to be eligible to continue participation in the Company's medical plan under COBRA, the Company will cover the employer portion of premiums for the coverage at the same rate as if the Executive remained an active employee of the Company. The premium contributions will be made directly to the Benefits administrator in this case, resulting in the Executive being charged a lower monthly rate for COBRA coverage.

(c) In the event that within two (2) years following a Change of Control (as defined in Section 12), the Company terminates the Executive's employment other than for Cause (as defined in Section 12), or the Executive terminates employment for Good Reason (as defined in Section 12) (such termination, a "Qualifying Termination") in addition to Final Compensation and the Severance Benefits provided pursuant to Section 4(b) of this Agreement, the Company will provide the Executive the following benefits ("Additional Severance Benefits"), provided that the Executive meets all eligibility requirements for such Additional Severance Benefits as set forth in this Agreement:

(i) the Company will continue to pay the Executive's base salary, at the same rate as was in effect on the Separation Date, for an additional period of twelve (12) months, following the completion of the salary continuation payments provided for in Section 4(b)(i) above. Subject to Sections 5 and 6 below, such payments shall be in the form of salary continuation, payable in accordance with the normal payroll practices of the Company for its executives;

**5. Conditions to Eligibility, Exclusivity of Benefits, Offset.**

(a) Any obligation of the Company to provide the Executive the Severance Benefits or the Additional Severance Benefits, in each case, is conditioned on (i) the Executive signing and returning to the Company (without revoking) a timely and effective release of claims in the form provided by the Company by the deadline specified therein, which in all events shall be no later than the fifty-third (53rd) calendar day following the date of termination (any such release submitted by such deadline, the "Release of Claims"), (ii) the Executive maintaining complete compliance with the Executive's obligations to the Company and its Company Affiliates during employment, including without limitation under Sections 8, 9, 10 and 11 of this Agreement, and (iii) the Executive's continued compliance with Executive's obligations to the Company and its Company Affiliates that survive termination of Executive's employment, including without limitation under Sections 8, 9, 10 and 11 of this Agreement. The Release of Claims required for Separation Benefits creates legally binding obligations on the part of the Executive and the Company therefore advises the Executive to seek the advice of an attorney before signing the Release of Claims. It is expressly agreed and understood that no Severance Benefits or Additional Severance Benefits shall be required to be paid or provided unless and until the foregoing Release of Claims requirement is satisfied. Notwithstanding anything to the contrary in this Agreement, if the Release of Claims deadline straddles two calendar years, no Severance Benefits or Additional Severance Benefits shall be paid to the Executive until the second calendar year (with any missed Severance Payments or Additional Severance Benefits being paid to the Executive on the Company's first normal payroll date occurring in the second calendar year).

(b) In the event the Company determines after conclusion of Executive's employment, that Executive had engaged in any conduct that would constitute "Cause" as defined herein, or that clawback of Executive's Severance Benefits and/or Additional Severance Benefits is required pursuant to rules promulgated by the U.S. Securities and Exchange Commission and listing standards applicable to the Company, the Company may cease payment of all Severance Benefits and Additional Severance Benefits and shall likewise be entitled to the immediate forfeiture and recapture of all Severance Benefits and Additional Severance Benefits paid to the Executive prior to its discovery of the same. For the avoidance of doubt, if the Executive fails to satisfy the conditions for the receipt of the Severance Benefits, the Executive shall not be entitled to any Additional Severance Benefits hereunder.

(c) The Executive agrees that the Severance Benefits and Additional Severance Benefits to be provided in accordance with the terms and conditions of this Agreement are exclusive and the Executive acknowledges and agrees that the Executive will not be eligible to participate in or receive benefits under any other plan, program, or policy of the Company or any of its Company Affiliates providing for severance or termination pay or benefits, including but not limited to the Company's Severance Pay Plan. The Executive also agrees that the Severance Benefits and Additional Severance Benefits shall be reduced by any other payments or benefits to

which the Executive is entitled under applicable law as a result of termination of employment, including without limitation any federal, state or local law with respect to plant closing, mass layoffs or group benefits plan continuation following termination or the like.

**6. 409A Compliance.**

(a) Separation from Service. For purposes of this Agreement, references to termination of employment, Separation Date (as defined in Section 4(a) of this Agreement), retirement, separation from service and similar or correlative terms mean a "separation from service" (as defined at Section 1.409A-1(h) of the Treasury Regulations) from the Company and from all other corporations and trades or businesses, if any, that would be treated as a single "service recipient" with the Company under Section 1.409A-1(h)(3) of the Treasury Regulations. A termination of employment for Good Reason or by the Company Without Cause under this Agreement is intended to satisfy the meaning of "involuntary separation from service" (as defined in Section 1.409A-1(n) of the Treasury Regulations).

(b) Section 409A Exemption. Without limiting the generality of the foregoing, so much of the Executive's Severance Benefits and Additional Severance Benefits as does not exceed the "exempt amount" as hereinafter defined shall in no event be paid later than by December 31 of the second calendar year following the calendar year in which the involuntary separation from service occurs. For purposes of the immediately preceding sentence, the Executive's "exempt amount" means the lesser of (i) the Executive's total separation pay, if any, or (ii) the lesser of (A) two times the applicable limit under Section 401(a)(17) of the Internal Revenue Code of 1986 as amended (the "Code") for the year in which the involuntary separation from service occurs, or (B) two times the Executive's annualized compensation determined under applicable Treasury Regulations by reference to the Executive's annual rate of pay for the calendar year preceding the calendar year in which the separation from service occurs. For purposes of the Treasury Regulations under Section 409A of the Code, each payment described in this Section shall be treated as a separate payment. Any amounts that exceed the exempt amount will be paid in accordance with the schedule of payments in Section 6(c).

(c) Specified Employee. If at the time of separation from service the Executive is a specified employee as hereinafter defined, any and all amounts payable in connection with such separation from service that constitute deferred compensation subject to Section 409A of the Code, as determined by the Company in its sole discretion, and that would (but for this sentence) be payable within six months following such separation from service, shall instead be paid on the date that follows the date of such separation from service by six (6) months and one day. For

purposes of the preceding sentence, the term "specified employee" means an individual who is determined by the Company to be a specified employee as defined in subsection (a)(2)(B)(i) of Section 409A of the Code. The Company may, but need not, elect in writing, subject to the applicable limitations under Section 409A of the Code, any of the special elective rules prescribed in Section 1.409A-1(i) of the Treasury Regulations for purposes of determining "specified employee" status. Any such written election shall be deemed part of this Agreement.

(d) **409A Compliance.** Notwithstanding any other provision hereunder, this Agreement and all compensation payments hereunder are intended to comply with the requirements of Section 409A, including the regulations, notices and exemptive provisions thereunder, and shall be construed and administered accordingly. In no event shall the Company have any liability relating to any payment or benefit under this Agreement failing to comply with, or be exempt from, the requirements of Section 409A.

## **7. Effect of Termination.**

(a) Except as otherwise expressly provided in Sections 4(b)(iii) and 4(b)(iv) above or as may be required by applicable law, the Executive's participation in all employee benefit plans of the Company will terminate, in accordance with the terms of those plans, based on the Separation Date.

(b) Other than the Severance Benefits and Additional Severance Benefits, the Executive shall have no further rights to any other compensation or benefits on or after the termination of employment.

(c) Provisions of this Agreement shall survive any termination of the Executive's employment if so provided herein or if necessary or desirable to fully accomplish the purposes of other surviving provisions, including without limitation the Executive's obligations under Sections 8, 9, 10 and 11 hereof.

## **8. Confidential Information.**

(a) Executive acknowledges that the Company and its Company Affiliates continually develop trade secrets and Confidential Information (as defined in Section 12 below), that the Executive may have in the past and may in the future develop trade secrets and/or Confidential Information for the Company or its Company Affiliates, and that the Executive may learn of trade secrets and Confidential Information during the course of employment. Executive acknowledges that the information obtained or created by him while employed by the Company or any Company Affiliate concerning the business or affairs of the Company or any Company Affiliate is the exclusive property of the Company or such Company Affiliate. The Executive shall comply with the policies and procedures of the Company and its Company Affiliates for protecting trade secrets and Confidential Information. For purposes of this Agreement, the term "Confidential Information" does not include information that Executive can demonstrate (a) was in Executive's possession prior to Executive's initial employment with the Company or any Company Affiliate, provided that such information is not subject to another confidentiality agreement with, or other obligation of confidentiality to, the Company or any other party, (b) is generally known by the public and became generally known by the public other than as a result of

any act by the Executive, or (c) became available to Executive on a non-confidential basis from a third party, provided that such third party is not known by Executive to be bound by a confidentiality agreement with, or other obligation of secrecy to, the Company or another party or is not otherwise prohibited from providing such information to Executive by a contractual, legal or fiduciary obligation. Executive agrees that Executive will not disclose trade secrets or Confidential Information to any person (other than employees of the Company or any of its Company Affiliates or any other person expressly authorized by an appropriate officer of the Company to receive trade secrets or Confidential Information). Executive shall not use for Executive's own account trade secrets or any Confidential Information, other than for a legitimate business purpose for the Company or its Company Affiliates. The Executive acknowledges and agrees that the Executive's obligations under this Agreement with respect to trade secrets shall remain in effect for as long as such information shall remain a trade secret under applicable law, and that the Executive's obligations with regard to Confidential Information shall remain in effect while employed by the Company and for three years after the Separation Date, regardless of the reason for termination of employment.

(b) Executive shall deliver to the Company on the Separation Date, or at any other time the Company's Board of Directors may request in writing, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof, including electronic copies), whether or not containing trade secrets or Confidential Information or Work Product, which Executive may then possess or have under Executive's control.

**9. Work Product.** Executive agrees that all inventions, innovations, improvements, developments, methods, designs, analyses, reports and all similar or related information which relate to the Company's or any of its Company Affiliates' actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by Executive while employed with the Company ("Work Product") belong to the Company or such Company Affiliate. Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Work Product. Executive will promptly disclose such Work Product to the Company's Board of Directors and perform all actions reasonably requested by the Company's Board of Directors (whether during or after the Employment Period) to assign the Work Product to the Company and to otherwise establish and confirm such ownership.

**10. Non-Competition, Non-Solicitation, Non-Disparagement, Compliance.**

(a) Executive acknowledges that in the course of Executive's employment with the Company or its Company Affiliates Executive has become and will become in the future familiar with the trade secrets and other Confidential Information of the Company and its Company Affiliates and that Executive's services will be of special, unique and extraordinary value to the Company. Therefore, Executive agrees that, during Executive's employment and for a period of 24 months following the Separation Date, regardless of the basis or timing of termination (the "Restricted Period"), Executive shall not, directly or indirectly, provide services in a Restricted Capacity (as defined below) in the Restricted Territory (as defined below) to any person or entity with respect to any product or service of such person or entity which competes with any aspect of the Business of the Company or any of its Company Affiliates with respect to which Executive

has had access to Confidential Information or customer goodwill as a result of Executive's employment or other association with the Company. Nothing herein shall prohibit Executive from being a passive owner of not more than one percent (1%) of the outstanding stock of any class of a corporation which is publicly traded, so long as Executive has no active participation in the business of such corporation.

- (b) For purposes of this Agreement,
1. the "Business of the Company or any of its Company Affiliates" shall include the wholesale and retail sale (including without limitation, electronic commerce) of children's apparel and related accessories;
  2. "Restricted Territory" means each state in the United States;
  3. "Restricted Capacity" means the provision of services to a competitor of the Company which is the same or comparable to the services the Executive provided to the Company or any of its Company Affiliates or in which the Confidential Information, trade secrets or customer goodwill which the Executive created or to which the Executive had access during the Executive's employment with the Company or any of its Company Affiliates would give that competitor an unfair competitive advantage.

(c) During the Restricted Period, Executive shall not, directly or indirectly through another entity, (i) induce or attempt to induce any employee of the Company or any of its Company Affiliates to leave the employ of such person, (ii) solicit or encourage any independent contractor providing services to the Company or any of its Company Affiliates to terminate or diminish its relationship with them; or (iii) induce or attempt to induce any customer, supplier, licensee or other person having a business relationship with the Company or any of its Company Affiliates (the "Service Recipients") to cease doing business with the Company or such Company Affiliate or seek to persuade any such Service Recipient to conduct with any other person or entity any business or activity which is conducted or could be conducted with the Company; provided, however, that the restrictions in clause (iii) shall apply (A) only with respect to those Service Recipients who have been such at any time within the immediately preceding two year period or whose business has been solicited on behalf of the Company or any of its Company Affiliates within said two year period, other than by form letter, blanket mailing or published advertisement, and (B) only if the Executive had a business relationship with such Service Recipient as a result of the Executive's employment, or otherwise had access to Confidential Information as a result of the Executive's employment which would assist in the solicitation of such Service Recipient; and provided further that the restrictions in clauses (i) and (ii) shall apply only to employees and independent contractors who have provided services to the Company or any of its Company Affiliates within the two years preceding the Separation Date.

(d) Notification. Until 45 days after the conclusion of the Restricted Period, the Executive shall give notice to the Company of each new business activity the Executive plans to undertake, at least fourteen days prior to beginning such an activity. The Executive shall provide the Company with such pertinent information concerning such business activity as the Company

may reasonably request in order to determine the Executive's continued compliance with obligations under Sections 8, 9, 10 and 11 hereof.

(e) Non-Disparagement. The Executive agrees that the Executive will not disparage the Company or any of its Company Affiliates, or any of their respective management, products or services and will not do or say anything that could reasonably be expected to disrupt the good morale of the employees of the Company or otherwise harm the business interests or reputation of the Company; provided, however, that nothing in this Agreement shall preclude the Executive from providing truthful testimony in any court or regulatory action or proceeding or otherwise making good faith statements in connection with legal investigations or other proceedings. The Executive understands and agrees that this restriction shall continue to apply during the Restricted Period, howsoever caused.

(f) Compliance. The Executive agrees at all times during the pendency of the Executive's employment to comply with all state and federal laws, and conduct himself with the highest degree of fidelity to the Company, committing no acts of theft, embezzlement, misappropriation, insider trading or other forms of misconduct contrary to the interests of the Company.

**11. Enforcement of Covenants.** The Executive acknowledges that the Executive has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 8, 9, 10 and 11 hereof. The Executive agrees without reservation that each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information, trade secrets, and other legitimate interests of the Company and its Company Affiliates; that each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and that these restraints, individually or in the aggregate, will not prevent him from obtaining other suitable employment during the period in which the Executive is bound by these restraints. The Executive further acknowledges that, were the Executive to breach any of the covenants contained in Sections 8, 9, 10 or 11 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that in the event of the breach or a threatened breach by Executive of any of the provisions of Sections 8, 9, 10 or 11 hereof, the Company, in addition and supplementary to other rights and remedies existing in its favor (including pursuant to Section 3(c) hereof), may apply to any court of law or equity of competent jurisdiction for specific performance or injunctive or other relief in order to enforce or prevent any violations of the provisions hereof (without posting a bond or other security). The parties further agree that if, at the time of enforcement of Sections 8, 9, 10 or 11, a court shall hold that the duration, scope or area restrictions stated herein are unreasonable under circumstances then existing, the parties agree that the maximum duration, scope or area reasonable under such circumstances shall be substituted for the stated duration, scope or area and that the court shall revise the restrictions contained herein to cover the maximum period, scope and area permitted by law. The Executive agrees that the Restricted Period shall be tolled, and shall not run, during any period of time in which the Executive is in violation of the terms thereof, in order that the Company and its Company Affiliates shall have all of the agreed-upon temporal protection recited herein. No breach of any provision of this Agreement by the Company, or any

other claimed breach of contract or violation of law, or change in the nature or scope of the Executive's employment relationship with the Company, shall operate to extinguish the Executive's obligation to comply with Sections 8, 9, 10 and 11 hereof.

**12. Definitions.** As used in this Agreement, the following terms shall have the meaning set forth below:

(a) "Affiliate" means with respect to any specified Person, any other Person which, directly or indirectly, through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise).

(b) "Carter's" means Carter's, Inc., a Delaware corporation.

(c) "Cause" means (a) conviction of Executive for a felony, or the entry by Executive of a plea of guilty or nolo contendere to a felony, (b) a material breach by Executive of Sections 8, 9, 10 or 11 of this Agreement, (c) the commission of an act of fraud or other act involving dishonesty which such act of dishonesty is materially injurious to the Company or any Company Affiliate, (d) the willful and continued refusal by Executive to substantially perform Executive's duties for the Company or any of its Company Affiliates (other than any such refusal resulting from Executive's incapacity due to mental illness or physical illness or injury), or gross negligence in the performance of such duties, after a demand for substantial performance is delivered to Executive by the Company's Board of Directors, or (e) the willful engaging by Executive in gross misconduct injurious to the Company or any of its Company Affiliates.

(d) "Change of Control" means (i) any transaction or series of related transactions in which any Person who is not a Company Affiliate, or any two or more such Persons acting as a Group, and all Affiliates of such Person or Persons, who prior to such time did not own shares of the Common Stock of Carter's representing fifty percent (50%) or more of the voting power at elections for the Board of Directors of Carter's, shall (A) acquire, whether by purchase, exchange, tender offer, merger, consolidation, recapitalization or otherwise, or (B) otherwise be the owner of (as a result of a redemption of shares of the Common Stock of Carter's or otherwise) shares of the Common Stock of Carter's or its subsidiaries (or shares in a successor corporation by merger, consolidation or otherwise) such that following such transaction or transactions, such Person or Group and their respective Affiliates beneficially own fifty percent (50%) or more of the voting power at elections for the Board of Directors of Carter's or the Company or any successor corporation, or (ii) the sale or transfer of all or substantially all the assets of either the Company or Carter's.

(e) "Common Stock" means the common stock of Carter's, Inc., a Delaware corporation, par value \$.01 per share.

(f) "Company Affiliate" means Carter's, Inc. and its subsidiaries.

(g) “Confidential Information” means any and all information of the Company and its Company Affiliates, other than trade secrets, that is not generally known by others with whom they compete or do business, or with whom they plan to compete or do business and any and all information, publicly known in whole or in part or not, which, if disclosed by the Company or any of its Company Affiliates would assist in competition against them. Confidential Information includes without limitation such information relating to (i) the development, research, testing, manufacturing, marketing and financial activities of the Company and its Company Affiliates, (ii) the products and services offered by the Company or any of its Company Affiliates, (iii) the costs, sources of supply, financial performance and strategic plans of the Company and its Company Affiliates, (iv) the identity and special needs of the customers of the Company and its Company Affiliates and (v) the people and organizations with whom the Company and its Company Affiliates have business relationships and the nature and substance of those relationships. Confidential Information also includes information that the Company or any of its Company Affiliates has received, or may receive hereafter, belonging to others or which was received by the Company or any of its Company Affiliates with any understanding, express or implied, that it would not be disclosed.

(h) “Good Reason” means, unless Executive shall have consented in writing thereto, any of the following:

- (i) a material reduction in Executive’s title, base salary and target annual incentive compensation opportunity (other than a reduction in such compensation that is applied proportionally to other executive officers’ compensation), duties, or responsibilities, as compared to such title, base salary and target annual incentive compensation opportunity, duties, or responsibilities on the Effective Date;
- (ii) a material change in the geographic location at which the Executive must perform services (provided, that for the avoidance of doubt, any change in location within the greater Atlanta metropolitan area shall not be a material change); or
- (iii) any material breach of this Agreement by the Company;

provided, however, that Executive shall not have the right to terminate Executive’s employment for “Good Reason” unless Executive shall have given thirty (30) days prior written notice to the Board of Directors of the Company within thirty (30) days following the first occurrence (for the Executive) of such condition in which Executive sets forth in reasonable detail the circumstances that Executive believes constitute “Good Reason” pursuant to the preceding clauses (i) through (iii) and the Company shall not have remedied the matter within said thirty (30) day period; it shall not constitute “Good Reason” unless the Executive separates from service not later than ninety (90) days following the end of the Company’s thirty (30) day cure period; and provided, further, however that the fact that the Company does or does not so remedy said matter shall not be deemed an admission by the Company that such circumstances constitute “Good Reason”.

(i) “Group” means any two or more Persons who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring or holding securities of the Company or its Company Affiliates.

(j) "Person" means any individual, partnership, corporation, association, limited liability company, trust, joint venture, unincorporated organization or entity, or any government, governmental department or agency or political subdivision thereof.

**13. Withholding.** Payments by the Company under this Agreement shall be reduced by all taxes and other amounts which the Company is required to withhold under applicable law.

**14. Miscellaneous**

(a) This Agreement is not a contract of employment for a definite term and does not otherwise restrict the Executive's right, or that of the Company, to terminate the Executive's employment, with or without notice or Cause.

(b) This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior communications, agreements and understandings, written or oral, with respect thereto; provided, however, that this Agreement shall not supersede or otherwise terminate any effective assignment the Executive has made of any invention or other intellectual property to the Company or any of its Company Affiliates on or before the date of execution of this Agreement; nor shall this Agreement supersede or otherwise terminate any rights or remedies of the Company or any of its Company Affiliates arising from the Executive's obligations pursuant to any agreement with respect to confidentiality, non-competition, non-solicitation or the like in effect prior to the date of execution of this Agreement or under applicable law, all of which assignments and rights shall remain in full force and effect.

(c) No modification or amendment of this Agreement shall be valid unless in writing and signed by the Executive and a duly authorized representative of the Company. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

(d) Neither the Company nor the Executive may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, that in the event that the Company shall hereafter affect a reorganization, consolidate with, or merge into any entity or transfer all or substantially all of its properties or assets to any entity, the Company may assign its rights and obligations under this Agreement to such entity. This Agreement shall inure to the benefit of and be binding upon the Executive and the Company, and each of their respective successors, executors, administrators, heirs and permitted assigns.

**15. Choice of Law.** This Agreement will be governed by and construed in accordance with the laws of the State of Georgia, without giving effect to any choice or conflict of law provision or rule (whether of the State of Georgia or any other jurisdiction) that would cause the application of the laws of any other jurisdiction. By executing this Agreement, the parties hereby irrevocably submit to the jurisdiction of the state and federal courts located in the State of Georgia for the purpose of any action or dispute

between the parties to this Agreement arising in whole or in part under or in connection with this Agreement or the subject matter of this Agreement (other than an action brought to enforce a judgment by any such court), hereby waive and agree not to assert any defense that venue in such courts is improper, invalid or inconvenient (or any similar defense) and agree not to commence any action or dispute arising in whole or in part under or in connection with this Agreement in any court other than the above-named Georgia courts.

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IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the Company, by a duly authorized representative, and by the Executive, as of the Effective Date.

THE EXECUTIVE:

THE COMPANY:

\_\_\_\_\_  
Doug Palladini

By: \_\_\_\_\_  
Name:  
Title:





### **Carter's, Inc. Appoints Douglas C. Palladini as Chief Executive Officer**

ATLANTA, March 26, 2025 – Carter's, Inc. (NYSE: CRI) (the "Company"), the leading company in North America focused exclusively on apparel for babies and young children, today announced that Douglas C. Palladini has been appointed Chief Executive Officer and President and as a member of the Board of Directors, effective April 3, 2025.

Mr. Palladini brings more than three decades of senior leadership experience with an emphasis on brand and direct-to-consumer strategies. He previously served as Global Brand President of Vans, a division of V.F. Corporation, where he more than doubled global revenue to over \$4.2 billion in less than six years, while also growing profitability and brand equity. Mr. Palladini achieved these results within Vans' fleet of retail stores globally while meaningfully boosting eCommerce sales across all geographic regions. While leading Vans, he also expanded product assortment in more than 100 countries by creating and leveraging a strategic framework of disciplined choices, elevating apparel and accessories to almost 20 percent of sales, driving footwear newness beyond iconic classics styles, and building brand loyalty around the world.

Mr. Palladini brings the skills and vision needed to expand Carter's direct to consumer and wholesale businesses, drive consumer loyalty, enhance competitiveness, and extend international reach. Under his leadership, Carter's will continue to prioritize innovation and customer engagement to strengthen its connection with families with young children worldwide.

"After a comprehensive search, we are thrilled to appoint Doug Palladini as CEO of Carter's," said William J. Montgoris, Non-Executive Chairman of the Board.

"Doug's remarkable track record of growing brands, his deep understanding of consumer-driven strategies, and his expertise in creating global brand connections will be invaluable as we continue to build upon Carter's strong foundation. Under Doug's leadership, Carter's will continue to innovate, strengthen our unique, multi-channel business model, and stay true to our mission of providing high-quality, affordable apparel for young children."

"Carter's is a storied company with a powerful legacy and iconic brands that have long been trusted by families with young children for its quality, value, and style," said Mr. Palladini. "I am eager to continue

to advance the important work underway in our retail and wholesale businesses, further build upon Carter’s brand equity, and create lasting connections with our customers through accelerated relevance, inspiring products, and meaningful storytelling.”

#### **About Douglas C. Palladini**

Mr. Palladini most recently served as Founder and Owner of Kickstand, LLC, a consulting firm specializing in brand strategy, executive coaching, and organizational design. He previously spent nearly 20 years at V.F. Corporation. While serving as Global Brand President of Vans, Mr. Palladini led and mentored an executive team of functional and regional leaders and served on the Executive Leadership Team of V.F. Corporation. Prior to that, he was General Manager, Americas Region for Vans, including overseeing operations across North, Central and South America, from July 2013 to July 2016. During that time, Mr. Palladini led Vans to 20 consecutive quarters of double-digit growth as the P&L leader for the Americas region. Earlier in his career, Mr. Palladini served in a variety of entrepreneurial, marketing and publishing roles as founder and director of Cynic (a DGWB division), Chief Operating Officer of Swell, and Group Publisher of EMAP Peterson. In each of these roles he significantly accelerated revenue and improved profitability. Mr. Palladini will be relocating from California to the Company’s global headquarters in Atlanta, Georgia.

#### **About Carter’s, Inc.**

Carter’s, Inc. is the largest branded marketer in North America of apparel exclusively for babies and young children. The Company owns the *Carter’s* and *OshKosh B’gosh* brands, two of the most recognized brands in the marketplace. These brands are sold through over 1,000 Company-operated stores in the United States, Canada, and Mexico, and online at [www.carters.com](http://www.carters.com), [www.oshkosh.com](http://www.oshkosh.com), [www.cartersoshkosh.ca](http://www.cartersoshkosh.ca), and [www.carters.com.mx](http://www.carters.com.mx). Carter’s also is the largest supplier of young children’s apparel to the largest retailers in North America. Its brands are sold in leading department stores, national chains, and specialty retailers domestically and internationally. The Company’s *Child of Mine* brand is available at Walmart, its *Just One You* brand is available at Target, and its *Simple Joys* brand is available on Amazon.com. The Company also owns *Little Planet*, a brand focused on organic fabrics and sustainable materials, and *Skip Hop*, a global lifestyle brand for families with young children. Carter’s is headquartered in Atlanta, Georgia. Additional information may be found at [www.carters.com](http://www.carters.com).

#### **Forward-Looking Statements**

Statements in this press release that are not historical fact and use predictive words such as “estimates”, “outlook”, “guidance”, “expect”, “believe”, “intend”, “designed”, “target”, “plans”, “may”, “will”, “are confident” and similar words are forward-looking statements (as such term is defined in the Private

Securities Litigation Reform Act of 1995). These forward-looking statements and related assumptions involve risks and uncertainties that could cause actual results and outcomes to differ materially from any forward-looking statements or views expressed in this press release. These risks and uncertainties include, but are not limited to, those discussed in the subsection entitled “Risk Factors” under Part I, Item 1A, of the Company’s Annual Report on 10-K, and otherwise in our reports and filings with the Securities and Exchange Commission, as well as the following factors: changes in global economic and financial conditions, and the resulting impact on consumer confidence and consumer spending, as well as other changes in consumer discretionary spending habits; risks related to public health crises; risks related to consumer tastes and preferences, as well as fashion trends; our ability to successfully launch new brands within the time frames we have previously disclosed; the failure to protect our intellectual property; the diminished value of our brands, potentially as a result of negative publicity or unsuccessful branding and marketing efforts; delays, product recalls, or loss of revenue due to a failure to meet our quality standards; risks related to uncertainty regarding the future of international trade agreements; increased competition in the marketplace; financial difficulties for one or more of our major customers; identification of locations and negotiation of appropriate lease terms for our retail stores; distinct risks facing our eCommerce business; failure to forecast demand for our products and our failure to manage our inventory; increased margin pressures, including increased cost of materials and labor and our inability to successfully increase prices to offset these increased costs; continued inflationary pressures with respect to labor and raw materials and global supply chain constraints that have, and could continue, to affect freight, transit, and other costs; fluctuations in foreign currency exchange rates; unseasonable or extreme weather conditions; risks associated with corporate responsibility issues; our foreign sourcing arrangements; a relatively small number of vendors supply a significant amount of our products; disruptions in our supply chain, including increased transportation and freight costs; our ability to effectively source and manage inventory; problems with our Braselton, Georgia distribution facility; pending and threatened lawsuits; a breach of our information technology systems and the loss of personal data or a failure to implement new information technology systems successfully; unsuccessful expansion into international markets; failure to comply with various laws and regulations; failure to properly manage strategic initiatives; retention of key individuals; acquisition and integration of other brands and businesses; failure to achieve sales growth plans and profitability objectives to support the carrying of our intangible assets; our continued ability to meet obligations related to our debt; changes in our tax obligations, including additional customs, duties or tariffs; our continued ability to declare and pay a dividend; volatility in the market price of our common stock; and the cost or effort required for our shareholders to bring certain claims or actions against us, as a result of our designation of the Court of Chancery of the State of Delaware as the sole and exclusive

forum for certain types of actions and proceedings. Except for any ongoing obligations to disclose material information as required by federal securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. The inclusion of any statement in this press release does not constitute an admission by the Company or any other person that the events or circumstances described in such statement are material.

**Contact:**

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