

Payless 401(k) Profit Sharing Plan

March 31, 2018

Planning for your retirement is an important responsibility. To help achieve your financial goals for retirement, the Company offers the Payless 401(k) Profit Sharing Plan (for U.S. Associates) and the Payless Puerto Rico Profit Sharing Plan (for Puerto Rico Associates) (referred to collectively as the Plans or individually as your Plan or the U.S. Plan or PR Plan, respectively). The Plans feature both the opportunity to add to your account with personal savings and for a Company Matching Contribution from profits.

This booklet is the Summary Plan Description for the Plans, which includes certain changes in the Plans generally made effective through March 31, 2018. It will help you understand how the Plans can work for you. We have tried to make the descriptions in this booklet easier to understand than the formal Plan documents which contain the full provisions of the Plans. Every effort has been made to include all the important points and to be as accurate as possible. However, if anything in this booklet inadvertently conflicts with the text of the legal documents by error, misstatement, omission or otherwise, the legal documents must, of course, govern.

You should also be aware that information in this summary may change after this date.

Throughout this booklet, certain terms which have special meaning under the Plans may be defined in enclosed spaces such as this and/or capitalized whenever they are used. Capitalized terms not otherwise defined herein are defined in the Plan.

Although this booklet will answer many of your questions, if you do not understand any part of your Plan, you are encouraged to contact the Corporate HR Benefits Team at the address referred to in the section titled “Plan Information.”

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Highlights of the Plans

The following summary highlights the major features of the Payless 401(k) Profit Sharing Plan and the Payless Puerto Rico Profit Sharing Plan. Be sure to read the written materials that follow in this booklet. If special rules apply to you because you were a member of a prior plan, those rules will be described later in this booklet.

Eligibility

Associate Contributions

You are immediately eligible to make an elective deferral under the Plan if you satisfy the following eligibility criteria:

Full-Time & Part-Time Associates

- at least 21 years old and
- an Associate of the Employer for which your Plan is intended.

Company Matching Contributions

Both Full-Time and Part-Time Associates who are eligible to make elective deferrals are also eligible for a Company Matching Contribution if employed by the Company on the last day of the Plan Year (December 31st). Notwithstanding this eligibility requirement, Associates who are participants in the Plan are also eligible for the Company Matching Contribution, without being employed on the last day of the Plan Year, in the event of their death, Disability or Retirement.

Automatic Enrollment

Upon the completion of 180 days of employment and the attainment of age 21, if you are an Associate of the Employer for which the Plan is intended, Member contributions equal to 3% of your Pay will, as soon as administratively feasible after your determined eligibility, be automatically deducted from your paycheck on a before-tax basis, unless you make an affirmative election to “opt out” of participation or to change the percentage of your contributions.

Member Contributions

Members may contribute up to the following percentages of their pay:

	<u>United States</u>	<u>Puerto Rico</u>
Before-Tax	1%-75% of Pay*	1%-75% of Pay*
After-Tax	1%-75% of Pay*	1%-10% of Pay*
Total	1%-75% of Pay*	1%-75% of Pay*

*In Puerto Rico, Members are limited to after-tax contributions of up to 10% of Pay with an aggregate overall after-tax and before tax limitation set by the Plan of up to 75% of Pay. Member contributions by “highly compensated” Associates have lower limits (5% before-tax and 1% after-tax) or such other amount as deemed necessary to satisfy IRS testing requirements. In the U.S. and Puerto Rico, for the year 2018, the lower limits generally apply to those associates who earned over \$120,000 in 2017. In addition to the limits specified above, there is an annual dollar limit on the before-tax contributions (For 2018, \$18,500 in the U.S. or \$15,000 in Puerto Rico) of all Plan Members. All of these limitations are discussed later in this booklet. You will be notified if any of these limits apply to you. Plan Members also may be affected by two other limitations required by federal law. For 2018 in the U.S. and Puerto Rico, the total of a Member’s contributions (before-tax and after-tax) and the Company’s Matching Contribution cannot be greater than \$55,000 (as adjusted for inflation from time to time) or 100% of W-2 taxable compensation, whichever is less. The Company will limit an Associate’s contributions, if necessary, to prevent him or her from going over these limits. If any of the preceding limits affect you, you will be notified.

Catch Up Contributions

All associates who are eligible to make elective deferrals under the U.S. Plan and who have attained age 50 by the end of the calendar year will be eligible to make an additional catch up contribution to their Plan accounts. For 2018, such associates can make a catch up contribution of up to \$6,000 to their Plan accounts. In order to be eligible to make this “catch up” contribution, you must be age 50 or older, or will turn age 50 by the end of the calendar year, and have maximized your permitted annual before-tax contribution under the U.S. Plan. For example, currently the U.S. Plan permits “non-highly compensated” Associates to contribute up to 75% of their pay on a before-tax basis up to a maximum of \$18,500 a year. If you are eligible to make a “catch up” contribution, for “non-highly compensated” Associates this means you will have the opportunity to contribute a total of \$24,500 for the 2017 Plan Year. Associates deemed highly compensated employees (“HCE”) under the IRS Code are limited by the U.S. Plan to a contribution of up to 5% of their Pay on a before-tax basis, up to a maximum of \$13,250 for the 2018 Plan Year. However, if you are a HCE and are eligible to make a “catch up” contribution, you will have the opportunity to contribute an additional \$6,000 during the 2018 Plan Year.

All Associates who are eligible to make elective deferrals under the PR Plan and who have attained age 50 by the end of the calendar year will be eligible to make an additional catch up contribution to their Plan accounts. For 2018, such associates can make a catch up contribution of up to \$1,500 to their Plan accounts. In order to be eligible to make this “catch up” contribution, you must be age 50 or older, or will turn age 50 by the end of the calendar year and have maximized your permitted annual before-tax contribution under the PR Plan.

Investment Fund Choices *(Investment Fund Choices in effect as of March 31, 2018*)*

Fund Name	FUND TYPE
Schwab Managed Retirement Trust Fund-Income (IV)	Target Date
Schwab Managed Retirement Trust Fund-2010 (IV)	Target Date
Schwab Managed Retirement Trust Fund-2015 (IV)	Target Date
Schwab Managed Retirement Trust Fund-2020 (IV)	Target Date
Schwab Managed Retirement Trust Fund-2025 (IV)	Target Date
Schwab Managed Retirement Trust Fund-2030 (IV)	Target Date
Schwab Managed Retirement Trust Fund-2035 (IV)	Target Date
Schwab Managed Retirement Trust Fund-2040 (IV)	Target Date
Schwab Managed Retirement Trust Fund-2045 (IV)	Target Date
Schwab Managed Retirement Trust Fund-2050 (IV)	Target Date
Schwab Managed Retirement Trust Fund – 2055 (IV)	Target Date
Wells Fargo Stable Return Fund (N)	Stable/Money Market
AllianceBernstein Global Fund (I)	Bond
Vanguard Total Bond Market Index Fund (Adm)	Bond
BlackRock Inflation Protected Bond Fund	Bond
AMG TimesSquare Small Cap Growth	Domestic Stock
Harbor Capital Appreciation Fund	Domestic Stock
Vanguard Equity Income Fund	Domestic Stock
Vanguard Extended Market Index (I)	Domestic Stock
Vanguard Institutional Index (I)	Domestic Stock
JP Morgan Mid Cap Value Select	Domestic Stock
Allianz NFJ Small Cap Value Instl	Domestic Stock
Artisan International Inv	International
Dodge & Cox International Stock Fund	International
Vanguard Total Intl Stock Index	International

**Company Matching
Contribution Amount**

The Company may contribute a Company Matching Contribution to the Plans. The total Company Matching Contributions opportunity equals up to 2.5% of the Company's Net Profits, if any. The Company can decide to contribute more than or less than 2.5% of the Company's Net Profits for any Plan Year by action of the Company. The Company Matching Contribution is used only to match your contributions (either before-tax or after-tax) on the first 5% of Pay. The amount of your match will vary depending upon Company profits and your Member contributions. To receive the largest share possible of the matching contribution, you need to contribute 5% of your Pay. Typically, Company Matching Contributions are made by April.

- Generally, you must be employed with the Company on December 31st to be eligible to receive a Company Matching Contribution.

Vesting

Member contributions are 100% vested. Company contributions will vest based on your years of employment, as follows:

<u>Years of Employment</u>	<u>Vested %</u>
Less than 2 years	0%
2 years	25%
3 years	50%
4 years	75%
5 years or more	100%

Effective January 1, 2012, you accrue one year of vesting service for each Plan Year you complete 1000 Hours of Service. You also become 100% vested in your Company Accounts in the event of your death, Disability, or Retirement.

Investment

Member contributions are invested at the direction of the Member in whole percentage increments totaling 100%. If you are automatically enrolled in your Plan, your contributions will be initially invested in an age appropriate Schwab Managed Retirement Fund, until you choose another investment option.

Company contributions are invested initially in the investment fund(s) elected by the Member, until the Member changes such election.

Making Changes to Contributions

You may change your Member contribution rate or restart contributions by logging on to the Wells Fargo website at www.wellsfargo.com or by calling Wells Fargo's Retirement Service Center at (800) 728-3123.

You will need to register your account the first time you log on to the Wells Fargo website. Your request will be effective with the paycheck you receive for the following pay period.

You may stop future contributions by logging on to Wells Fargo website at www.wellsfargo.com or by calling Wells Fargo's Retirement Service Center no later than 3:00 p.m. (Central time) on any business day. Your request will be effective as of the next paycheck thereafter or as soon thereafter as administratively feasible.

Investment of Future Contributions

You may change the investment of your future contributions by logging on to the Wells Fargo website at www.wellsfargo.com or by calling Wells Fargo's Retirement Service Center no later than 3:00 p.m. (Central time) on any business day. Your request will be effective with the first paycheck received in the following payroll period or as soon thereafter as administratively feasible.

Investment of Member Account Balances

You may change the investment of your Account by logging on to the Wells Fargo website at www.wellsfargo.com or by calling Wells Fargo Retirement Service Center no later than 3:00 p.m. (Central time) on any business day. Your request will be effective the next business day. For this purpose, a "business day" is defined as a business day recognized by the New York Stock Exchange ("NYSE").

Withdrawals

You may request a withdrawal from your Account by logging on to the Wells Fargo website which can be found at www.wellsfargo.com or by calling Wells Fargo's Retirement Service Center. Your request will be considered as soon as practical after all necessary documentation is received by Wells Fargo. If your request is approved, your distribution will generally be sent within ten (10) business days either by check or direct deposit, as applicable.

Distributions

You may request a final distribution (upon termination from the Company and all subsidiaries or affiliates of the Company) from your Account by logging on to the Wells Fargo website or by

calling Wells Fargo's Retirement Service Center at any time and requesting a Distribution Kit, which will be mailed to your home address. Your request will be considered as soon as practical after your completed application is received. If your request is approved, your distribution will generally will be sent within ten (10) business days less any applicable distribution fees, either by check or direct deposit, as applicable.

Uncashed Checks

If a distribution check is issued to you by the Plan and the check remains uncashed for more than six months, the Trustee may, between the seventh and eleventh month from the date of issuance of the check, cancel the check and put the money back in the Trust in a specially designated uncashed check forfeiture account, which may, on at least a quarterly basis, be added to and utilized in the same manner as the Plan's general forfeiture account as specified in the Plan. Once the money is put back in the Trust in the specially designated uncashed check forfeiture account, it will be non-negotiable and a new check request must be submitted by you to receive your money. In such event, where the re-distribution of a check is required, you will be charged a reasonable administration fee as determined from time to time by the Plan Administrator, for reissuance of the check. If enough funds do not remain in the forfeiture account to reissue check amounts to you, the Company will contribute to the forfeiture account to cover the uncashed check(s) to be reissued. The Plan Administrator will maintain a record of uncashed checks amounts and participants. The Plan will report any amounts paid for tax purposes as distributed the year the check is first issued and will not reclaim any federal or state taxes withheld. In the event of a change in record keepers for the Plans, as a part of the transition, the Company reserves the right to set a shorter period by which a check must be cashed before it becomes non-negotiable and reissuance becomes necessary. It is your responsibility to inform the Plan Administrator or Wells Fargo of any change to your address.

Wells Fargo's Participant Account Services

Wells Fargo Retirement Service Center line is a convenient toll-free telephone voice response system you can use 24 hours a day. You may also call Wells Fargo's Retirement Service Center and speak with a customer service representative Monday through Friday (except holidays) from 7 a.m. to 11 p.m. (Eastern time). In order to start, change or stop your contributions, to make or change investment elections, to request a withdrawal or distribution and otherwise to obtain more information about your Plan or your Account, you should use Wells Fargo's Retirement Service Center

by calling (800) 728-3123 or log on to the Wells Fargo website at www.wellsfargo.com.

To register for online access, you'll need your Social Security Number (which serves as your Registration ID) and date of birth. These pieces of information are required on your first visit only. You will be prompted to create your unique ID and password. You'll be asked a series of security questions for future identification. You may experience delays in accessing the Wells Fargo website at those times when the system is down for system updates.

To access your account via Wells Fargo's Retirement Service Center, you will need to enter your Social Security Number and Personal Identification Number (PIN). The first time you call, your PIN will be the last four digits of your Social Security Number. You must select a new PIN during your first call. Please note that delays may be experienced in accessing the phone line when call volume is high.

Plan Summary

Designed to Provide Long-Term Financial Security Your Plan's features include:

Company Matching Contributions

Following the end of each Plan Year, the Company may contribute to your account a part of the Company's profits for the year, in the form of a matching contribution, based on your before-tax and/or after-tax contribution on the first 5% of your Pay contributed.

The actual amount of the Company's match will depend upon the Company's level of profits and the amount of your Member contributions. To receive the largest share possible of the Company's Matching Contribution, you need to contribute 5% of your Pay. Typically, Company Matching Contributions are made in March following the end of the Plan Year but from year to year this timeframe may be determined, by the Company, to occur later. If you make a withdrawal of any of your after-tax contributions made after August 1, 1997, you will forgo half of your Company Matching Contribution for the Plan Year of the withdrawal.

To receive a matching contribution for a Plan Year, generally, you must be employed with the Company on December 31st of that Plan Year.

Member Before-Tax Contributions

You may invest on a before-tax basis (before any income tax is withheld from your Pay). Investing this way can reduce your current income taxes and increase your take home pay as compared to an after-tax basis.

Member After-Tax Contributions

You have the advantage of tax-deferred investment earnings with more flexibility on account withdrawals.

Investment Choices

You have a choice of fourteen individual investment options and eleven Managed Retirement Funds in which to invest both your Member and Company contributions.

Tax-Deferred Growth

You pay no taxes on Company Matching Contributions or on your own before-tax contributions or on any investment earnings until those amounts are paid to you. This means that your money can

grow faster for retirement. Individual results may vary based on individual investments selected, and market volatility, etc. Your Plan does not assure profits and does not protect against loss in declining markets.

Convenience

The ability to save through regular payroll deductions makes contributing to your Plan easy. The availability of personal Internet access to your Account through www.wellsfargo.com and the 24 hour a day toll-free telephone system, called Wells Fargo's Retirement Service Center at (800) 728-3123, lets you get information about your Account and make changes at times that are convenient to you.

Company

The Company is Payless, Inc., a Delaware corporation.

Disability

"Disability" means the qualification for disability under Title 11 of the Federal Social Security Act.

Employer

If you are a Member of the Payless 401(k) Profit Sharing Plan, your Employer is Payless, Inc., a Delaware corporation or one of its affiliates authorized and electing to participate in the Plan. If you are a Member of the Payless Puerto Rico Profit Sharing Plan, your Employer is Payless ShoeSource of Puerto Rico, Inc. or one of its affiliates authorized and electing to participate in the Plan.

Member

A Member is an Associate of an Employer who is eligible to participate in the Plan and joins the Plan.

Accessibility

Although this is a long-term retirement savings plan, you can withdraw your after-tax investments for any reason. However, a withdrawal of any after-tax contributions deposited into your Plan after August 1, 1997, will result in a 50% reduction in your Company Match for the year in which the withdrawal is made. Also, in general, any withdrawal of after-tax contributions from your Account, under the Payless 401(k) Profit Sharing Plan, must be made up of both contributions and earnings (if any), as stated in

the Tax Reform Act of 1986. Your before-tax contributions under the Plans can be withdrawn for a specified financial hardship (or for any reason after age 59 1/2).

Flexibility

You can change your rate of contributions and your investment choices on any business day. For this purpose, a “business day” is defined as a business day recognized by the NYSE.

Eligible Associates

You are eligible to make Member contributions to your Profit Sharing Plan or to receive company contributions if you meet the following requirements:

Associate Contributions

Full-Time and Part-Time Associates

- at least 21 years old and
- an Associate of the Employer for which your Plan is intended.

Upon the completion of 180 days of employment and the attainment of age 21, if you are an Associate of the Employer for which the Plan is intended, you will, as soon as administratively feasible after your determined eligibility, become a Member of your Plan and 3% of your Pay will automatically be deducted and contributed to your Member Account on a before-tax basis unless and until you elect a different percentage. These automatic deductions will begin with the first paycheck received for the first full pay period after you satisfy the eligibility requirements or as soon as administratively feasible thereafter.

If you do not want the automatic 3% contribution to be deducted from your Pay when you first become eligible for the Plan, you may elect not to have any amount withheld and contributed by calling Wells Fargo’s Retirement Service Center at (800) 728-3123 by midnight on the last day of the month prior to your eligibility.

If you want to change your participation from your automatically enrolled 3% contribution, you should log on to the Wells Fargo website at www.wellsfargo.com or call Wells Fargo’s Retirement Service Center to:

- Select the percentage of your Pay that you wish to contribute;

- Decide if your contributions will be before-tax, after-tax or a combination of both;
- Choose how you want your contributions invested; or
- If you wish, elect to stop contributing to the Plan.

You also should call Wells Fargo Retirement Service Center or log on to the website to select the Plan investment fund(s) into which your automatic Member contributions will be deposited. If you don't call or make this election via the website, your 3% Member contributions will be invested in a Schwab Managed Retirement Fund based on your age.

To participate in the Plan, you must contribute at least 1% of your Pay. If you elect not to join the Plan prior to the date when you are first eligible, or if your automatic 3% before-tax contributions have started but at a later date you elect to stop your contributions, you can start (or restart) your Membership in your Plan as of the next payroll period by logging on to the Wells Fargo website which can be found at www.wellsfargo.com or by calling Wells Fargo's Retirement Service Center by 3:00 p.m. (Central time), on any business day. Please note that if you do not opt out of participation, are automatically enrolled and then later decide to stop your contributions, any contributions already deducted from your payroll will remain in your Account and will not be distributed to you until such time as permitted by the Plan.

You also will need to designate a beneficiary to receive the benefits from your Plan in the event of your death. You should designate a beneficiary on the Wells Fargo website at www.wellsfargo.com.

Company Contributions

Both Full-Time and Part-Time Associates who are eligible to make elective deferrals are also eligible for a Company Matching Contribution if employed by the Company on the last day of the Plan Year (December 31st). Notwithstanding this eligibility requirement, Associates who are participants in the Plan are also eligible for the Company Matching Contribution, without being employed on the last day of the Plan Year, in the event of their death, Disability or Retirement.

By making Member contributions, you may become eligible to receive a Company Matching Contribution as long as you are employed by the Company on the last day of the Plan Year (December 31st). However, you are also eligible for the Company

Matching Contribution, without being employed on the last day of the Plan Year, in the event of your death, Disability or Retirement.

Pay

Pay generally includes the total of all of your base salary commissions, bonuses, unused accrued sick leave pay, vacation leave pay or other leave that Associate would have been able to use if their employment had continued, short-term disability payments paid directly by the Employer and overtime paid by the Employer to the Associate during the period; provided, however, that “Pay” shall not include moving allowances, expense reimbursement, payments under any sick leave or disability plan sponsored by the Employer under which payments are not made directly by the Employer, payments from or contributions to any other benefits program sponsored by the Employer, extra compensation of any other nature, pay paid after an individual’s termination of employment unless the pay is paid within 2 ½ months after termination of employment. Notwithstanding the preceding sentence, to the extent that the following amounts are otherwise included in the definition of “Pay” and are paid no later than the date which is 2 ½ months after termination of employment, such amounts paid after an Associate’s termination of employment shall be deemed Pay: regular pay including compensation for services during regular working hours, overtime, shift differential, commissions, bonuses or other similar payments, and payment for unused accrued sick, vacation or other leave, but only if the Associate would have been able to use the leave if employment had continued. These rules do not apply to payments to an individual who does not currently perform services for an Employer by reason of qualified military service, to the extent such payments do not exceed the “Pay” such individual would have received from the Employer if he or she had continued to perform services for the Employer. The maximum Pay that will be used for purposes of determining limits under the Plan for 2018 is \$275,000, which is indexed for inflation from time to time.

Your Contributions

You can contribute each pay period to the Plan as follows through convenient payroll deductions. Your contributions can be made on a before-tax basis, an after-tax basis or a combination of both.

	<u>United States Plan</u>	<u>Puerto Rico Plan</u>
Before-Tax	1%-75% of Pay*	1% to 75% of Pay*
After-Tax	1%-75% of Pay*	1% to 10% of Pay*
Total	1%-75% of Pay*	1% to 75% of Pay*

*In Puerto Rico, Members are limited to after-tax contributions of up to 10% of Pay with an aggregate overall after-tax and before-tax limitation set by the Plan of up to 75% of Pay. Member contributions by “highly compensated” Associates have lower limits (5% before-tax and 1% after-tax). In the U.S. and Puerto Rico, for the year 2018, lower limits generally apply to those associates who earned over \$120,000 in 2017. In addition to the limits specified above, there is an annual dollar limit on the before-tax contributions of \$18,500 for 2018 for U.S. Plan Members or \$15,000 in 2018 for PR Plan Members. All these limitations are discussed later in this booklet. You will be notified if any of these limits apply to you. Plan Members also may be affected by two other limitations required by federal law. For 2018 in the U.S and Puerto Rico., the total of a Member’s contributions (before-tax and after-tax) and the Company’s matching contribution cannot be greater than \$55,000 (as adjusted for inflation from time to time) or 100% of W-2 taxable compensation, whichever is less. The Company will limit an Associate’s contributions if necessary to prevent him or her from going over these limits. If any of the preceding limits affect you, you will be notified.

The tax rules and withdrawal rules for before-tax contributions are very different from the rules for after-tax contributions. These important topics are discussed later in this booklet in the sections titled “The Before-Tax Advantage,” “Making a Withdrawal,” “Taxes” and “Limitation on Before-Tax Contributions.” Your decisions about whether your contributions to the Plan should be on a before-tax or after-tax basis should only be made after you think about what your future circumstances are likely to be when you receive a distribution. You may wish to consider the total amount of taxes you expect to pay at the time you make your contributions and at the time you receive your distribution.

If you are unsure about what contribution rate is best for you or whether to invest with before-tax or after-tax dollars, you may wish to talk to a qualified financial advisor. No Company Associate is authorized to give such advice.

Rollovers

If you are in the United States, you may roll over money into your Plan from any other plan qualified by the IRS or if in Puerto Rico,

by the Puerto Rican government, the first day you start your employment with Payless or as soon as administratively feasible thereafter. This money may be in the form of a direct rollover or a 60-day rollover. This rollover may occur either before or after you are eligible to make Member contributions to your Plan. If you would like to roll over money from a qualified plan into your Plan, call Wells Fargo’s Retirement Service Center to request a rollover kit.

The Before-Tax Advantage

What’s special about your Plan’s before-tax savings feature? It lets you save, pay less income tax now and could result in you taking home more Pay than if you invested an identical amount on an after-tax basis.

Here’s an example. Let’s assume you participate in the U.S. Plan, earn \$16,000 a year and contribute 5% of your pay on either a before-tax or after-tax basis. Federal income taxes are estimated for a single taxpayer who has a 15% marginal federal tax rate. (Social Security taxes remain the same whether you invest before or after taxes, so you receive your full Social Security benefit at retirement.) State and local taxes have not been reflected. Results are similar for participants in the PR Plan.

	After-Tax	Before-Tax
Annual Pay	\$16,000	\$16,000
Before-tax contribution	-	(800)
	16,000	15,200
Federal income taxes	(2,400)	(2,280)
Social Security taxes	(1,224)	(1,224)
After-tax contribution	(800)	-
Annual take-home Pay	\$11,576	\$11,696

Difference = \$120

As the example shows, if you were to invest the same amount before taxes or after taxes, your take-home pay will be greater if you invest on a before-tax basis as compared to an after-tax basis.

Before-tax contributions will be taxable in the future when they are paid out from the Plan and certain withdrawal restrictions apply because of their special tax advantages. Those restrictions are described later in this booklet in the section titled “Making a Withdrawal.”

Since your before-tax contributions are not subject to federal or Puerto Rico income tax when they go into your Plan account, your federal or Puerto Rico W-2 statement at the end of the year will report only the portion of your compensation subject to federal or Puerto Rico income tax in that year.

Changing Your Future Contributions

You can change or suspend your rate of future contributions as of the next payroll period, or as soon thereafter as administratively feasible, by logging into the Wells Fargo website at www.wellsfargo.com or by calling Wells Fargo's Retirement Service Center at (800) 728-3123 no later than 3:00 p.m. (Central time), on any business day. Your request will be effective as of the next paycheck thereafter, or as soon thereafter as administratively feasible. For the purpose stated in this paragraph a "business day" is defined as a business day recognized by the NYSE.

If you have suspended your contributions, you may resume contributing as of the next paycheck received, or as soon thereafter as administratively feasible, by logging on to the Wells Fargo website at www.wellsfargo.com or by calling Wells Fargo's Retirement Service Center by 3:00 p.m. (Central time), on any business day.

Company Matching Contribution

Each year, the Company may contribute to your Plan a certain percentage of its Net Profits, as determined by the Board of Directors. Until determined otherwise, the Company contribution may be up to 2.5% of Net Profits, if any. Company contributions are allocated as a "matching" contribution to the Accounts of Members eligible to receive a Company Matching Contribution who have made before-tax or after-tax contributions during the Plan Year, and, generally, who were employed on the last day of the Plan Year (December 31st) for which the contribution is made. Typically, Company Matching Contributions are made in March following the end of the Plan Year. Matching contributions also are made for Associates who made Member contributions but whose employment terminates before year-end due to Retirement after age 55 and the completion of five years of service, or by reason of death or Disability. The Company's Matching Contribution is allocated based on an eligible Member's own contributions of up to 5% of Pay. The rate at which the Member's before-tax or after-tax contributions are matched depends upon the level of the Company's Net Profits.

For example, if your annual Pay was \$16,000 and you elected to contribute 5% of your Pay during 2017, either before-tax or after-tax, which would be \$800 for the year, and the Company Matching

Contribution of 2.5% of the Company's Net Profits for 2017 (on the first 5% of your Pay contributed), equaled a Company Matching Contribution of \$0.30 per \$1.00 at the end of the year you would be allocated \$240 as a Company Matching Contribution (\$0.30 x \$800).

Vesting in Company Contributions

Members will vest in their Company Accounts based on their years of employment with their Employer as follows:

<u>Years of Employment</u>	<u>Vested %</u>
Less than 2 years	0%
2 years	25%
3 years	50%
4 years	75%
5 years or more	100%

Your years of employment for vesting purposes are generally equal to your period of employment with the Company. Effective January 1, 2012, you earn a year of vesting service each plan year in which you work at least 1,000 hours. You also will be 100% vested in your Company Accounts in the event of your death, Retirement or Disability.

If you are only partially vested in your Company Account upon your termination of employment with your Employer, when you receive a distribution of your Company Account (or receive a "deemed" distribution if your Vested Interest is 0%), or if you have been gone for five years (60 months), you will forfeit the non-vested portion of your Company Account. Amounts forfeited in any Plan Year will be used to pay Plan expenses, to restore previously forfeited amounts, if applicable, and, if any amount remains, such balance may be allocated to eligible Members as a part of the Company's Matching Contribution for the year.

If you are reemployed by your Employer after forfeiting all or a portion of your Company Accounts but before the end of 60 consecutive months of separation from the Company, such forfeited amount may be restored under rules contained in your Plan.

The rules governing vesting, forfeitures and restoration of forfeited amounts are somewhat complicated and difficult to explain. If you forfeit any part of your Company Account when your employment terminates, and you are rehired within 5 years (60 months), call the Corporate HR Benefits Team to receive a more complete explanation of your rights.

Qualified Military Service If a Member dies while performing “qualified military service”, then the Member’s spouse or Beneficiary is entitled to any benefits (other than benefit accruals relating to the period of qualified Military Service) under the Plan just as if the Member had been reemployed by the Employer and terminated employment with the Employer on account of death.

Investment Choices for Your Contributions and Company Contributions Your Plan currently offers a choice of fifteen individual investment options and ten Managed Retirement funds for the investment of your contributions and Company contributions. These funds include:

(Investment Fund Choices in effect as of March 31, 2018)*

Fund Name
Schwab Managed Retirement Trust Fund-Income (IV)
Schwab Managed Retirement Trust Fund-2010 (IV)
Schwab Managed Retirement Trust Fund-2015 (IV)
Schwab Managed Retirement Trust Fund-2020 (IV)
Schwab Managed Retirement Trust Fund-2025 (IV)
Schwab Managed Retirement Trust Fund-2030 (IV)
Schwab Managed Retirement Trust Fund-2035 (IV)
Schwab Managed Retirement Trust Fund-2040 (IV)
Schwab Managed Retirement Trust Fund-2045 (IV)
Schwab Managed Retirement Trust Fund-200 (IV)
Schwab Managed Retirement Trust Fund – 2055 (IV)
Wells Fargo Stable Return Fund (N)
AllianceBernstein Global Fund (I)
Vanguard Total Bond Market Index Fund (Adm)
BlackRock Inflation Protected Bond Fund
AMG TimesSquare Small Cap Growth
Harbor Capital Appreciation Fund
Vanguard Equity Income Fund
Vanguard Extended Market Index (I)
Vanguard Institutional Index (I)
JP Morgan Mid Cap Value Select
Allianz NFJ Small Cap Value Instl
Artisan International Inv
Dodge & Cox International Stock Fund
Vanguard Total Intl Stock Index

*The Plan Committee may, in its discretion, change, delete or add Investment Fund choices from time to time.

Along with this Summary Plan Description booklet, the summary prospectuses which describe the fifteen individual investment options and the ten Managed Retirement fund options for your evaluation of the risks associated with each are being made available to you. Please review these investment materials carefully before you decide how to invest your contributions. You may also receive educational materials relating to retirement savings through 401(k) plans. Use of these educational materials does not constitute any representation or guarantee as to how you should invest in your Plan and any such educational materials do not constitute a part of this prospectus. **No associate is authorized to give advice to any Member or prospective Member concerning which funds to select.**

Making Investments

You choose how to invest both your own contributions and the Company's contribution. The Company Matching Contribution will be invested in the same investment funds and in the same percentages as you have designated for your own Member contributions as in effect on the date the contribution posts to your account. You must remember that when you make an investment election for your own contributions, you are also making an election for the Company Matching Contribution. If you have made an investment election for your own contributions but have stopped contributing, your most recent election will be used to determine the investment of your Company Matching Contribution.

You can invest everything in one fund or split your investments (in increments of 1%) in any combination among the funds. With this flexibility, you can choose the funds which best meet your objectives for investing toward retirement. If you have any doubts about how to invest your contributions after you have reviewed the investment materials provided to you, you may wish to consult a qualified financial advisor.

The Plan is intended to constitute a plan described in section 404(c) of ERISA and Title 29 of the Code of Federal Regulations Section 2550.404c-1. The fiduciaries of the Plan may be relieved of liability for any losses which are the direct and necessary result of investment instructions you or your beneficiary give to the fiduciaries.

The Plan recordkeeper (Wells Fargo) follows your investment directions without reviewing those directions. The Company, the recordkeeper, the Plan Trustee and other Plan administrators are not responsible or liable for the investment choices that you make or for any investment losses that are the direct and necessary result of your investment choices. Nothing contained in this Summary is intended to constitute investment advice. With regard to each of the investment funds offered under the Plan, the Plan Administrator can provide you with investment information, including the following:

- description of the investment funds' annual operating expenses that reduce investment returns of the investment funds and the aggregate amount of these expenses expressed as a percentage of average net assets of the investment funds,
- copies of prospectuses, financial statement and reports and any other materials relating to the investment funds, to the extent these materials are provided to the Plan Administrator,
- lists of the assets comprising the portfolio of the investment funds, the value of each asset (or the proportion of the investment fund that it comprises) and, with respect to each asset that is a fixed-rate investment contract issued by a bank, savings and loan association or insurance company, the name of the issuer of the contract, the term of the contract and the rate of return on the contract, and
- information concerning the value of shares of the investment funds, as well as the historical investment performance of the investment funds determined net of expenses on a reasonable and consistent time period.

Changing Investments

Your Plan also lets you change your investment fund elections.

- You can change the investment election of your future Member contributions effective for each pay period.
- You can transfer your existing Member Account or Company Account balances daily by logging on to the Wells Fargo website at www.wellsfargo.com or by calling Wells Fargo's Retirement Service Center at (800) 728-3123 by 3:00 p.m. (Central time), on any business day.

Member Accounts

These are the accounts which reflect a Member's contributions to their Plan and related earnings and investment gains or losses.

Company Accounts

These are the accounts which reflect the Company's contributions to the Plans and related earnings and investment gains or losses. Company Accounts also include company account balances transferred from The May Department Stores Company Profit Sharing Plan and/or the Collective Licensing International LLC 401(k) Plan.

Cost of Administering the Plans

The expenses of administering the Plans are generally paid by you unless the Company elects to pay the expenses. Brokerage fees, commissions and other fees and expenses for each investment fund are paid out of that fund. A portion of such fees may be attributable to revenue sharing arrangements between the administrative service provider retained to provide recordkeeping services for the Plans and each investment fund. To the extent that Plan expenses are not paid by the Company, Plan expenses will be paid by Members either pro rata by fund or by flat fee.

How Your Accounts Change in Value

The value of your Plan accounts will change depending on these factors:

- How much and when you contribute to your Plan;
- The amount of the Company contribution each year;
- Increases or decreases in the market value of assets in the investment funds; and
- The dividends and interest earned by the investment funds, net of Plan expenses.

Changing economic and market conditions will cause the investment funds to fluctuate up or down in value.

Keeping Track of the Value of Your Accounts

A separate record is kept by your Plan in your name for each of the funds in which your accounts are invested. The value of each investment fund and your share of that fund is calculated daily. Each quarter you also will automatically receive a statement showing the quarter-end market value of your Member and Company Accounts.

Making an In-Service Withdrawal

Although this is a long-term savings plan designed for your retirement, in-service withdrawals (while you are still employed) are permitted in certain cases. If you make a withdrawal, you may continue to make contributions, and you will continue to share in the Company contributions subject to the withdrawal consequences

explained in the “After-Tax Withdrawals” section below. Note, however, that unless you are at least 59 1/2 years old, the taxable portion of a withdrawal from the U.S. Plan generally is subject to a special 10% federal penalty tax in addition to regular income tax withholding of 20% described below. You pay the additional 10% tax as well as tax on the amount withdrawn at your regular rate when you file your income tax return with the IRS. You will receive a credit for the amount (20%) withheld.

Withdrawals are paid by check or direct deposit depending upon which option is available under your Plan and which option you have selected. Payment is made as soon as is reasonably practical and is generally made within ten (10) business days.

Federal income tax may automatically be withheld by the U.S. Plan equal to 20% of the taxable portion of any withdrawal, unless you elect to directly roll over the taxable portion to an Individual Retirement Account (“IRA”) or another qualified retirement plan. If you do not elect a direct rollover, your requested withdrawal amount can be increased, or “grossed-up,” to cover the 20% withholding so that you still receive the full amount you requested (assuming it is approved). In all cases, however, the amount withdrawn will not exceed the amount available for withdrawal.

A Puerto Rico income tax of 10% of the taxable portion of your withdrawal will be withheld on withdrawals from the PR Plan.

After-Tax Withdrawals

While you are employed by the Company, your Plan lets you withdraw any amount up to the market value of your after-tax contributions at any time. If the value of your account is less than you contributed, only the value of your account can be withdrawn.

However, if you withdraw an after-tax contribution made after August 1, 1997, your Company Matching Contribution, if any, made for the year will be reduced by 50%. For example, if you were to contribute 5% of your Pay (or \$50 per month) to your Member after-tax contribution account throughout 2013, but made a withdrawal in December 2012 that included after-tax contributions made after August 1, 1997, your Company Matching Contribution for 2013 which would have been \$180 if the Company’s match were \$0.30 on the \$1.00 (\$0.30 x \$600), would be reduced by 50% to \$90.

Any withdrawal of after-tax contributions from the U.S. Plan will be tax-free as long as the total withdrawal is not greater than the amount of your after-tax contributions, if any, through 1986.

Any other withdrawal of after-tax contributions will be partly tax-free and partly taxable. The taxable portion withdrawn from the U.S. Plan is subject to the regular federal income tax withholding of 20% and, unless you are at least 59 1/2 years old, is subject to the additional 10% tax. This extra 10% tax penalty does not apply if the withdrawal was distributed in connection with a qualified domestic relations order. The tax-free portion can be calculated with the following formula (applied only to contributions and earnings after 1986):

$$\frac{\text{After-tax contributions}}{\text{Value of after-tax account}} = \% \text{ of withdrawal that is tax-free}$$

Let's look at an example: Frank joins the U.S. Plan in 2013 and contributes \$1,260 on an after-tax basis. In 2014, the value of his after-tax account is \$1,400, and he withdraws \$600. The tax-free portion of this withdrawal can be calculated as follows:

$$\frac{\$1,260 \text{ (after-tax contributions)}}{\$1,400 \text{ (value of after-tax account)}} = 90\% \text{ (tax-free portion)}$$

Therefore, 90% of the withdrawal, or \$540, is tax-free. The remaining \$60 is taxable in the year of the withdrawal and, unless Frank is 59 1/2 or older, is subject to an extra 10% federal tax (in addition to the regular income tax).

In addition, if Frank were eligible for a Company Matching Contribution in 2015 of \$500, based on his before-tax and/or after-tax contributions in 2014, his Company Matching Contribution for 2013 would be reduced by \$250.

No portion of an after-tax contribution withdrawn from the PR Plan will be subject to withholding or the 10% penalty, irrespective of your age. However, all the other rules discussed above are applicable.

Before-Tax Withdrawals

Because of special tax advantages of before-tax contributions, the law restricts withdrawal of this money. These restrictions do not apply to Associates who are at least 59 1/2 years old.

You may withdraw before-tax contributions only if you can demonstrate financial hardship, which the Internal Revenue Service (“IRS”) and the Puerto Rico Department of the Treasury (“PR Treasury”) have defined as:

- Needing money to meet an immediate and heavy financial need; and
- Having no available funds from other sources to meet those needs.

The IRS and/or PR Treasury have recognized the following as financial hardships:

- purchase of a principal residence;
- medical expenses (other than amounts paid by insurance) incurred by you, your spouse or your dependents;
- tuition, related educational fees and room and board for education beyond high school for you, your spouse, your children or eligible dependents (only amounts necessary for the next 12 months can be withdrawn);
- prevention of eviction from your principal residence or foreclosure of the mortgage on your principal residence;
- payments for burial or funeral expenses for a Member’s deceased parent, spouse, children or dependents (as defined in Section 152 of the Code and effective January 1, 2006, without regard to Section 152(d)(1)(B)); and
- expenses for the repair of damage to Member’s principal residence that would qualify for the casualty deduction under Section 165 of the Code (determined without regard to whether the loss exceeds 10% of adjusted gross income).

Other circumstances which depending on the facts and circumstances may be recognized as a hardship include the following:

- expenses for the repair or purchase of a car driven to work;
- legal defense expenses for child custody, adoption, and/or a protective order when a Member or someone in a Member’s family is in danger and expenses for civil defense action that would result in the loss of a Member’s primary residence; and
- expenses resulting from the loss of a Member’s property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner’s insurance, e.g. as a result of a natural disaster) or other similar extraordinary and unforeseeable circumstances arising as a

result of events beyond the control of the Member or beneficiary.

Before-tax hardship withdrawals are not granted automatically. Requests for withdrawals are reviewed and acted upon individually based on Plan guidelines consistent with IRS and PR Treasury regulations. You must submit documentation for your request and certify that you have no other available resources to meet your needs. If you do not submit the required documentation, your withdrawal request will be denied.

The amount of before-tax contributions you can withdraw is limited to the amount of before-tax contributions you have made, not counting earnings. If the value of your account is less than you contributed, only the lesser value can be withdrawn. Your before-tax contribution withdrawal may not exceed the amount of the financial hardship.

The amount of before-tax contributions you withdraw will be part of your federal or Puerto Rico taxable income in the year in which the withdrawal is paid and in the case of a withdrawal from the U.S. Plan will be subject to federal income tax withholding unless you elect not to have any federal tax withheld. Unless you are at least 59 1/2 years old, the withdrawal from the U.S. Plan will also be subject to an extra 10% early withdrawal tax, in addition to the regular income tax. This extra 10% tax penalty does not apply if the withdrawal was distributed in connection with a qualified domestic relations order. In the case of a withdrawal from the P.R. Plan it will be subject to a 10% income tax withholding.

RMD's

Initial required minimum distributions ("RMD's") will begin the April 1st following the year you attain age 70 ½.

Loans

Your Plan permits you to borrow from your vested account balance. There is a maximum of one outstanding loan from each plan. While this type of withdrawal is generally not recommended, it is available within specific guidelines. The minimum loan available is \$1,000. The maximum loan available is the lesser of one-half of your vested balance or \$50,000 reduced by the largest loan balance in the prior 12 months. Loans are repaid through payroll deduction. General purpose loans can be taken for any reason and must be paid in full within 4 1/2 years. Loans for the purchase of a principal residence must be repaid in full within 29 1/2 years. Loans are paid with interest. The interest rate is fixed, as determined by the Committee from time to time. Currently, the

Committee has determined that the interest rate for loans will be the current prime lending rate of Wells Fargo, plus 1%. Interest on loans to service members taken prior to entering military service will not exceed 6% per year during the period of military service if the service member provides written notice and a copy of the military orders calling the service members into military service, to the Plan's loan administrator, all in accordance with section 207 of the Service Members Civil Relief Act. Changes in the prime rate will be implemented when it is administratively feasible to do so. Interest paid is deposited back to your account. A loan processing fee is assessed for all loans taken under the Plan. Call Wells Fargo's Retirement Service Center with any questions regarding the loan policy.

Receiving Final Payment

Who Receives Payment

You may receive the value of your Member Accounts and the vested value of your Company Accounts when you terminate your employment. If you die while you are employed by your Employer, the benefit of your Plan accounts will be paid:

- to your spouse, or directly rolled over to an individual retirement account ("IRA") or qualified retirement plan designated by your spouse;
- to the beneficiary designated by you, if you have no spouse or if your spouse has consented; or
- to your estate, if there is no beneficiary designated by you and if you have no spouse.

You may designate a beneficiary or change a beneficiary on the Wells Fargo website at www.wellsfargo.com. A consent by your spouse is not valid unless it is on the beneficiary designation form and is witnessed by a Corporate HR Benefits Team representative or a notary public.

Form of Payment

Payments from your Plan are made in cash.

If you were a Member of the May Profit Sharing Plan prior to July 1, 1990, you may elect to receive your transferred accounts in your Plan in one lump sum or in annual installments over a period of up to 10 years. If you decide on annual installments, your account will continue to be revalued on each valuation date. If you die before all installments have been paid, the remaining balance will be paid to your designated beneficiary or surviving spouse in one lump sum.

If you participated in the Volume Shoe Corporation Profit Sharing Plan on December 31, 1988, you may elect to receive your distribution of any amounts attributable to the amounts transferred from the Volume Shoe Corporation Profit Sharing Plan in monthly installments over 10 years.

If you participated in the Collective Licensing International LLC 401(k) Plan (the “CLI Plan”) on December 31, 2008, you may elect to receive your distribution of any amount attributable to the amounts transferred from the CLI Plan in (i) lump sum or (ii) monthly, quarterly, semi-annual or in annual installments over a period not to exceed Member’s assumed life expectancy (or Member and Member’s Beneficiary’s assumed life expectancies beginning with the Valuation Date as of which the lump sum payment would otherwise be made).

When Payments Are Made

Benefits are paid to you as soon as reasonably practicable after your employment at your Employer ends, but not later than 90 days following the month you make a proper request. Under the Payless 401(k) Profit Sharing Plan and the Payless Puerto Rico Profit Sharing Plan if the value of your Account is \$1,000 or \$5,000 respectively or less, it will be paid as soon as administratively possible after your employment ends. If the value is more than \$1,000 or \$5,000 as applicable, you may choose to take payment at any time after your employment ends, or leave your account invested in your Plan until such age as distribution is required under the terms of your Plan. Accounts left in your Plan will be valued at the time of distribution. Your Plan might distribute your benefit before you reach the age specified in your Plan, if permitted by law and the Plan. If you die before receiving your benefit, your benefit will be payable to your designated beneficiary or surviving spouse in one lump sum.

Taxes

The Company intends that your Plan be qualified pursuant to the requirements of the Internal Revenue Code or the Puerto Rico Internal Revenue Code, as applicable. The federal and Puerto Rico income tax consequences of participating in your Plan, as discussed below, are substantially dependent upon your Plan meeting such requirements.

Based upon existing federal and Puerto Rico income tax laws and regulations, the following summary describes the major federal and Puerto Rico income tax consequences resulting from participation

in the U.S. Plan or the PR Plan. The tax consequences may be different for a Member with special circumstances and could be affected by future changes in the law or the issuance of regulations. **Each Member should consult with his or her tax advisor regarding the tax consequences of participating in his or her Plan.**

Taxation of Contributions and Earnings

The tax consequences of before and after-tax contributions are explained earlier in this booklet under the sections titled “Your Contributions” and “The Before-Tax Advantage.” In general, however, before-tax contributions are not taxed when they go into your Plan but are taxed when they are distributed. On the other hand, after-tax contributions are taxed when they go into your Plan, so you pay no additional taxes on them when they are distributed.

As explained later in this booklet under the section “Limitations on Before-Tax Contributions,” there are limits on the amounts that Members may contribute to their before-tax account each calendar year. There are also limits on the amount of after-tax contributions and Company contributions that can be made by and on behalf of certain “highly compensated” Members. These limits are explained under the section “Limitations on After-Tax Contributions.” In addition, as explained under the “Your Contributions” section, there is a total dollar limit on contributions (both before-tax and after-tax) and Company contributions that may be made by and on behalf of a Member for any Plan Year.

Company contributions are not taxed to Members when contributed by the Company but are taxed when they are distributed. Similarly, earnings and appreciation in the value of investments are not taxed when earned but are taxed when they are distributed.

Taxation of Withdrawals

The tax consequences for withdrawals were discussed earlier in this booklet under the heading “Making an In-Service Withdrawal.”

Taxation of Distributions

In general, distributions you receive from your Plan (except a portion of distributions that are attributable to your after-tax contributions) are taxable to you in the year in which you receive them. Taxable distributions from the U.S. Plan are taxed at ordinary income tax rates. In addition, unless you are at least

59 1/2 years old, you retire, become disabled, die or a distribution is made from your account in connection with a qualified domestic relations order, your taxable distribution will be subject to an extra 10% federal income tax. The taxation of distributions, however, may be postponed through a direct rollover (discussed below). In addition, certain favorable tax treatment may be available for qualifying “lump sum distributions.”

Taxable distributions from the PR Plan are generally taxed at ordinary income tax rates. Favorable tax treatment is available in Puerto Rico for “lump sum distributions”. A lump sum distribution is a distribution of the entire balance of your account within a single taxable year due to your separation from service for any reason. Lump sum distributions from the PR Plan are normally taxed at the long term capital gain rate. From July 1, 2007, the applicable tax rate is 20%. Under special circumstances this rate may be reduced to 10% if the investment in Puerto Rico property requirement is met. Please consult with your tax or financial advisor if you have any questions. Other special reduced rates may be available under certain circumstances. The Plan Administrator will advise you of these special rates.

20% Federal Tax Withholding

Federal regulations require a mandatory 20% federal income tax withholding on taxable distributions from the U.S. Plan made directly to you. The 20% withholding is not a penalty; it is a regular tax withholding that will be sent to the IRS to be credited against your overall tax liability for the year in which the distribution is made. This means when you file your tax return, if too much money was withheld, you will get a refund. If too little was withheld, you will need to pay the balance you owe.

It’s important to understand that this 20% withholding is in addition to the 10% extra tax you are required to pay on taxable distributions made on account of your termination of employment before you are 59 1/2 years old. However, you can avoid the additional 10% tax, as well as the 20% withholding obligation, if you elect a direct rollover.

Puerto Rico Tax Withholding

Puerto Rico law and regulations require a mandatory income tax withholding on lump sum distributions from the PR Plan made directly to you. Beginning January 1, 2008 the mandatory income tax withholding rate is generally 20% until determined otherwise by the government. All other distributions / withdrawals are

subject to a 10% PR mandatory withholding. The mandatory withholding is not a penalty; it is a special tax withholding that will be sent to the PR Treasury and is your total tax liability with respect to the distribution. If special reduced rates are applicable to your distribution, a reduced withholding rate may also be applicable. The Plan Administrator will advise of the reduced withholding rates, if any.

Direct Rollovers

You can postpone taxation of your taxable distribution and avoid the 20% withholding by requesting that your Plan directly roll over your taxable distribution to an IRA, a Roth IRA or another qualified employer plan that accepts rollovers. To make this request, follow the directions which you can get by calling Wells Fargo's Retirement Service Center, the telephone voice response system, or by speaking to a customer service representative at the same number.

You need to carefully consider the following when making a direct rollover election:

- The direct rollover portion of your payment will be made payable to the IRA or employer plan you designate and mailed directly to such IRA or employer plan.

Indirect Rollovers

If you do not elect a direct rollover of your Plan distribution, you may still perform an "indirect" rollover. This means that after you have received payment of your distribution, you can roll it over into an IRA or another qualified employer plan within 60 days of receipt. In this case, however, your Plan is required to withhold the 20% federal or Puerto Rico income tax from your distribution before you receive it, but you may be entitled to a refund if your amount withheld exceeds your tax liability. If you decide to make an indirect rollover you will have the option to make up the portion of your distribution that was withheld. Keep in mind that a taxable distribution that is rolled over will be subject to taxation when it is finally distributed to you. A direct or indirect rollover also will eliminate your right to special tax treatment of a qualified lump sum distribution.

Additional Tax Consequences

You should consult with a qualified tax advisor for an explanation of additional tax consequences related to participation in your Plan including, but not limited to, whether you may be eligible for

certain favorable tax treatments in connection with the form, amount, timing or disposition of a distribution.

Limitations on Before-Tax Contributions

The federal and Puerto Rico governments require plans allowing before-tax contributions to pass a special test designed to assure a fair level of participation by associates at all income levels. To make sure that your Plan satisfies this test, certain limitations have been established:

- Your before-tax contributions cannot exceed a certain amount per year. (For 2018, this amount is \$18,500 in the U.S. or \$15,000 in Puerto Rico.)
- Your before-tax contributions will be limited each year to a reduced, specified percentage (5%) of your Pay contributed for each payroll period if your prior year's annual Pay is above a certain amount. (Associates earning \$120,000 for 2017 in the U.S. or Puerto Rico are considered "highly compensated" Associates and will be subject to this limit in 2017.) "Non-highly compensated" Associates participating in the U.S. Plan may contribute between 1% and 75% of Pay on a before-tax basis, subject to the limitations for all Member Associates stated above. Non-highly compensated Associates participating in the PR Plan may contribute between 1% and 75% of Pay, subject to a 10% of Pay after-tax limitation.

Both dollar limitations may be adjusted for inflation from time to time by the federal government or the Puerto Rico government, as applicable.

To satisfy these limitations, the Company might be required to limit your amount of future before-tax contributions or distribute or re-characterize (as after-tax or catch up contributions, if applicable) a portion of past before-tax contributions or make other adjustments. These actions generally only would affect Members considered "highly compensated" Associates, as described above. You will be promptly notified if any such action affects you.

The amount of any before-tax contributions in excess of the limits (for 2018, \$18,500 in the U.S.; \$15,000 in Puerto Rico; or the indexed amount) which are re-characterized or distributed will be subject to income taxes in the year in which the excess contributions were made. The distribution will not be subject to the additional 10% federal income tax discussed previously in this booklet in the Section titled "Taxes."

Catch Up Contributions

All associates who are eligible to make elective deferrals under the U.S. Plan and who have attained age 50 by the end of the calendar year will be eligible to make an additional catch up contribution to their Plan accounts. For 2018, such associates can make a catch up contribution of up to \$6,000 to their Plan accounts. In order to be eligible to make this “catch up” contribution, you must be age 50 or older, or will turn age 50 by the end of the calendar year and have maximized your permitted annual before-tax contribution under the U.S. Plan. For example, currently the U.S. Plan permits “non-highly compensated” Associates to contribute up to 75% of their pay on a before-tax basis up to a maximum of \$18,000 a year. If you are eligible to make a “catch up” contribution, for “non-highly compensated” Associates this means you will have the opportunity to contribute a total of \$24,500 for the 2018 Plan Year. Associates deemed highly compensated employees (“HCE”) under the IRS Code are limited by the U.S. Plan to a contribution of up to 5% of their pay (or such other amount as deemed necessary to satisfy IRS testing requirements) on a before-tax basis, up to a maximum of \$13,250 for the 2017 Plan year. However, if you are a HCE and are eligible to make a “catch up” contribution, you will have the opportunity to contribute an additional \$6,000 during the 2018 Plan Year. For future years the catch up contribution limit for eligible Members is as follows:

Year Beginning in:	Maximum Catch Up Deferral Contribution (Catch Up Limit)
2009 and after	\$6,000 adjusted for cost of living

All associates who are eligible to make elective deferrals under the PR Plan and who have attained age 50 by the end of the calendar year will be eligible to make an additional catch up contribution to their Plan accounts. For 2018, such associates can make a catch up contribution of up to \$1,500 to their Plan accounts. In order to be eligible to make this “catch up” contribution, you must be age 50 or older, or will turn age 50 by the end of the calendar year and have maximized your permitted annual before-tax contribution under the PR Plan.

Limitations on After-Tax Contributions

In addition to the limitations on before-tax contributions, the federal government has placed certain limits on after-tax contributions by Members whose previous calendar year's Pay is above a certain amount (i.e. highly compensated employees as previously defined). To comply with these limits, these Members' after-tax contributions will be limited to a reduced, specified percentage per pay period. In addition, the Company may have to further restrict the amount of after-tax contributions (and of its matching contribution) and/or distribute to such Members (or, in the case of non-vested matching contributions, forfeit) any amounts (including earnings) that exceed these limits. In Puerto Rico, all Members are limited to contributions of 10% of Pay on an after-tax basis.

Employee Retirement Income Security Act of 1974 ("ERISA")

Your Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including those provisions relating to reporting and disclosure, participation, vesting, fiduciary responsibility, administration and enforcement. The Plan is a "defined contribution plan," as that term is defined in ERISA, and certain of the provisions of ERISA do not apply to defined contribution plans, such as provisions relating to funding and coverage by the Pension Benefit Guaranty Corporation. Accordingly, such provisions do not apply to the Plans.

**Para Empleados
Quienes Hablan Español**

Este librito contiene un resumen en Inglés de sus derechos y beneficios bajo el Plan de Participación en Ganancias de Payless ShoeSource, Inc. 401(k) (el "Plan") y el Plan de Participación en Ganancias de Payless ShoeSource, Inc. para los Empleados de Puerto Rico. Si usted no comprende alguna parte de las explicaciones que se le dan en este librito, por favor póngase en contacto con el Administrador del Plan para la ayuda que requiera.

Plan Information

Each associate who is a Member of a benefit plan is provided with certain details about that plan. This information is listed below for each of the Plans. Where the information is different for each of the Plans, the information for your Plan is as indicated. If you need additional information, please contact the Corporate HR Benefits Team.

PLAN INFORMATION

Name of Plans: (U.S. Plan)
Payless 401(k) Profit Sharing Plan

(PR Plan)
Payless Puerto Rico Profit Sharing Plan

Type of Plan: Defined contribution profit sharing plan

Plan Year: January 1st to December 31st

Plan Administrator: Payless ShoeSource, Inc.

Contact:
Profit Sharing Plan Administrator
c/o Payless ShoeSource, Inc.
Corporate HR Benefits Team
3231 S.E. 6th Avenue
Topeka, KS 66607-2207
(785) 233-5171

Agent for Service of Process: (U.S. Plan)
Payless ShoeSource, Inc.
3231 S.E. 6th Avenue
Topeka, KS 66607-2207

With copy to:
Payless, Inc.
General Counsel
3231 S.E. 6th Avenue
Topeka, KS 66607-2207

(PR Plan)
United States Corporation Service Company
254 Munoz Rivera Avenue, 8th Floor
San Juan, Puerto Rico, 00918

With a copy to:
Payless, Inc.
General Counsel
3231 S.E. 6th Avenue
Topeka, KS 66607-2207

Legal process also may be served upon the Plan Administrator.

Plan Trustee:

(U.S. Plan)
Wells Fargo Bank, N.A.
901 Marquette Avenue
STE 500
Minneapolis, MN 55402

(PR Plan)
Banco Popular de Puerto Rico
Trust Division
Ponce de León Ave. corner of Calle Popular,
Eighth Floor
San Juan, PR 00918

Plan Sponsor:

(U.S. Plan)
Payless ShoeSource, Inc.
3231 S.E. 6th Avenue
Topeka, KS 66607-2207

(PR Plan)
Payless ShoeSource Puerto Rico, Inc.
3231 S.E. 6th Avenue
Topeka, KS 66607-2207

**Employer Identification
Number:**

(U.S. Plan) 48-0674097
(PR Plan) 66-0479017

Plan Number:

(U.S. Plan) 002
(PR Plan) 003

QDRO Processor

BPS&M, LLC
5301 Virginia Way, Suite 400
Brentwood, TN 37027
Attn.: QDRO Processor

Claim Procedures

You are not required to file a claim for benefits from your Plan. Benefits are paid automatically after you properly request payment using either the Wells Fargo website which is located at www.wellsfargo.com or Wells Fargo's Retirement Service Center at (800) 728-3123. Information that you are required to provide in order to process your benefits (such as your payment option and tax withholding election) is not a claim for benefits.

In the event that you do not receive any benefits or dispute the amount or form of benefits you do receive, you may file a claim for the benefits you believe are payable. Such a claim should be made in writing and mailed to your Plan Administrator.

Your claim will be considered filed when it is actually received. You must state your name, address and Social Security number. You must state, in your own words, what benefit you are claiming. After due consideration, the claimed benefit will be awarded in full, denied in full, or awarded in part and denied in part. In the event that a claim has been denied, either in full or in part, your Plan Committee will provide a written notice of such denial within a reasonable time following receipt of the claim. Any notice of denial will include a summary of the claims appeal procedure.

You and your duly authorized representative are entitled to review pertinent Plan documents, including, if applicable, administrative rules of construction or interpretations adopted by your Plan Committee in the exercise of its powers under your Plan, to submit issues and comments for the consideration of your Plan Committee, and to request a review of the denied claim. Any such request for review should be made in writing and mailed to your Plan Administrator. This written request must be received no later than 90 days following receipt of the written notice of denial.

Your Plan Committee will consider your request for review and notify you of its decision promptly, ordinarily not less than 60 days after your Plan's receipt of the request for review of the claim. Unless special circumstances require an extension of time for processing, the decision will be rendered as soon as possible, but not later than 120 days after such receipt. If an extension of time for review is required because of special circumstances, written notice of the extension will be furnished to you prior to the commencement of the extension. The decision on review will be in writing and will include specific reasons for the decision, as well as specific references to the pertinent Plan provisions on which the decision is based. If notice of the decision on review is not

furnished within such time, the claim will be deemed denied on review.

Your Plan Committee has the power to resolve in its sole discretion all questions regarding the administration, interpretation and application of your Plan. All of the Committee's decisions will be final and conclusive for any and all purposes.

Qualified Domestic Relations Order (QDRO)

Your benefits under your Plan may be required by law to be paid in accordance with a "qualified domestic relations order" (a "QDRO"). A domestic relations order is a decree or order issued by a court that allocates a portion of your Plan benefits to your spouse, former spouse, child or other dependent. A domestic relations order is "qualified" if it meets certain requirements specified by federal law. When a domestic relations order is received by your QDRO Processor at the address indicated in the Plan Information section of this summary, the QDRO Processor will determine if it is qualified. If it is qualified, all or a portion of your benefits will be used to satisfy the order. Additionally, a QDRO processing fee, currently \$500, will be charged to and deducted from your account for each QDRO. Members and their beneficiaries may obtain, without charge, a copy of your Plan's procedures governing QDRO determinations.

Plan Documents

This booklet summarizes the key features of your Plan. This booklet may be amended or supplemented from time to time. Copies of this booklet and supplements are available to you upon request without charge. Complete details of your Plan can be found in the applicable formal Plan documents and Trust Agreement which are the governing documents in all cases. Copies of these documents for each Plan, as well as the annual reports of the Plans filed with the U.S. Department of Labor, are available for review by Plan Members and their beneficiaries during normal working hours in the Payless Corporate HR Benefits Team.

Your Rights Under This Plan

The Company aims to provide some level of financial protection to its associates above and beyond your paycheck. This additional protection is provided by Company-sponsored benefits plans, such as the Plans summarized and described for you in this

booklet. The Company is not required to provide these benefits. Since the Company does provide them, however, certain legal requirements will be met. You will be fully informed of the benefits being provided and your rights regarding these benefits under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides additional protection for participants covered under employer-sponsored benefit plans. Your rights, as specified by the law, are described on the following pages.

As a participant in your Plan, you may be entitled to certain rights and protections under ERISA. ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator’s Office and at other specified locations, all documents governing your Plan including the latest annual report (Form 5500 Series) or equivalent form, filed by your Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to your Plan Administrator, copies of documents governing the operation of your Plan, including the latest annual report (Form 5500 Series) and an updated summary plan description. The administrator may make a reasonable charge for copies.
- Receive a summary of your Plan’s annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Action by Plan Fiduciaries

In addition to creating rights for plan participants ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called “fiduciaries” of your Plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your Employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining your benefits under your Plan or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from your Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with your Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Continuation of Plan

The Company has the right to amend or terminate the Payless 401(k) Profit Sharing Plan and/or the Payless Puerto Rico Profit Sharing Plan, in whole or in part, or discontinue the payment of contributions should business conditions warrant such action. If your Plan is amended, to the extent required by law, your existing rights would not be adversely affected. If your Plan is terminated by the Company, your Accounts will become (or remain) fully vested and nonforfeitable. Because the Plans are not “defined benefit plans,” benefits under the Plans are not insured by the Pension Benefit Guaranty Corporation (PBGC). For further information concerning coverage by the PBGC, write to the Office of Communications, PBGC, 2020 K Street, N.W., Washington, D.C. 20006. The telephone number of the Office of Communications is: (202) 778-8840.

Plan Limitations

Being a Member in a Plan does not give the Member the right to keep a job with the Company or his or her Employer.

No benefits under the Plans may be pledged, sold or in any way transferred or assigned before actual payment is made to you or your beneficiary. Unless otherwise specifically noted in this booklet, no person has or may create a lien on any funds, securities or other property held under the Plans.

Attachments

Payless 401(k) Profit Sharing Plan and Payless Puerto Rico Profit Sharing Plan Fund and Index Performance Chart, as updated from time to time & most recent summary prospectuses available to the Plan Administrator as of December 31, 2017.