

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>04/01/2009</u> and ending <u>03/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>ROCKY BRANDS, INC. RETIREMENT PLAN</u>	1b Three-digit plan number (PN) ► <u>002</u> 1c Effective date of plan <u>07/01/1976</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>ROCKY BRANDS, INC.</u> <u>39 EAST CANAL STREET</u> <u>NELSONVILLE, OH 45764</u>	2b Employer Identification Number (EIN) <u>31-1364046</u> 2c Sponsor's telephone number <u>740-753-1953</u> 2d Business code (see instructions) <u>316210</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>01/04/2011</u>	<u>KELLEY MILSTED</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") ROCKY BRANDS, INC. 39 EAST CANAL STREET NELSONVILLE, OH 45764	3b Administrator's EIN 31-1364046 3c Administrator's telephone number 740-753-1953
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	590
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	428
b Retired or separated participants receiving benefits.....	6b	75
c Other retired or separated participants entitled to future benefits.....	6c	118
d Subtotal. Add lines 6a , 6b , and 6c	6d	621
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	621
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	15

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1G

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
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SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 04/01/2009 and ending 03/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>ROCKY BRANDS, INC. RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>ROCKY BRANDS, INC.</u>	D Employer Identification Number (EIN) <u>31-1364046</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>04</u> Day <u>01</u> Year <u>2009</u>
2	Assets:
a	Market value 2a <u>5848174</u>
b	Actuarial value 2b <u>6432991</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>74</u> <u>4196156</u>
b	For terminated vested participants 3b <u>112</u> <u>1375505</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>369736</u>
(2)	Vested benefits 3c(2) <u>3470533</u>
(3)	Total active 3c(3) <u>404</u> <u>3840269</u>
d	Total 3d <u>590</u> <u>9411930</u>
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>6.66</u> %
6	Target normal cost 6 <u>79544</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>12/15/2010</u>
Signature of actuary	Date
<u>FRANK T. VEDEGYS, FSA</u>	<u>08-04752</u>
Type or print name of actuary	Most recent enrollment number
<u>CBIZ BENEFITS & INSURANCE SERVICES,</u>	<u>216-447-9000</u>
Firm name	Telephone number (including area code)
<u>6050 OAK TREE BLVD, SUITE 500</u> <u>CLEVELAND, OH 44131</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	432197	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	267213	0
9	Amount remaining (Item 7 minus item 8).....	164984	0
10	Interest on item 9 using prior year's actual return of <u>-24.11</u> %	-39778	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of _____ %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	0	
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	125206	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	67.01 %
15	Adjusted funding target attainment percentage.....	15	67.02 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	80.00 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	68.34 %

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/14/2010	452196				
			Totals ►	18(b)	452196
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 405144
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of Quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: 5.33 %	2nd segment: 6.62 %	3rd segment: 6.80 %	☐ N/A, full yield curve used
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☒ Prescribed - combined ☐ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	79544
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	2539429	450734
b Waiver amortization installment		0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	530278
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	125206	0
36 Additional cash requirement (item 34 minus item 35).....	36	405072
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	405144
38 Interest-adjusted excess contributions for current year (see instructions).....	38	72
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 04/01/2009 and ending 03/31/2010

A Name of plan ROCKY BRANDS, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 ROCKY BRANDS, INC.	D Employer Identification Number (EIN) 31-1364046

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

HUNTINGTON BANK

31-0966785

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	TRUSTEE	67183	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

AL MINOR & ASSOCIATES, INC.

31-1124734

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11	ACTUARY	20755	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

YANKOVICH ADELMAN JOHNSON

26-1347383

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	ACCOUNTANT	6500	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	AL MINOR	b EIN:	31-1124734
c Position:	ACTUARY		
d Address:	83 SOUTH STATE STREET WESTERVILLE, OH 43081	e Telephone:	614-899-0636

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 04/01/2009 and ending 03/31/2010		
A Name of plan ROCKY BRANDS, INC. RETIREMENT PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 ROCKY BRANDS, INC.	D Employer Identification Number (EIN) 31-1364046	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		452196
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	9355	18596
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1172859	209966
(2) U.S. Government securities	1c(2)	1825000	1460829
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		403443
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)	2840960	4362244
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		680679
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	5848174	7587953

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5848174	7587953
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	452196	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		452196

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	98	
(B) U.S. Government securities	2b(1)(B)	7890	
(C) Corporate debt instruments	2b(1)(C)	2276	
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)	13494	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		23758

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	61152	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		61152
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	10272411	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	10011004	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		261407

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)	1463827	
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		1463827
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		1896
d Total income. Add all income amounts in column (b) and enter total.....	2d		2264236

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	385518	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		385518
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	28755	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)	67183	
(4) Other	2i(4)	43001	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		138939
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		524457

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1739779
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: YANKOVICH ADELMAN JOHNSON STEVENSON

(2) EIN: 26-1347383

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		100000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 04/01/2009 and ending 03/31/2010

A Name of plan <u>ROCKY BRANDS, INC. RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ROCKY BRANDS, INC.</u>	D Employer Identification Number (EIN) <u>31-1364046</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<u>1</u>	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	<u>3</u>	<u>0</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	<u>6a</u>		
b Enter the amount contributed by the employer to the plan for this plan year	<u>6b</u>		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	<u>6c</u>		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☒ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
--	-----------------------------------	-----------------------------------	-------------------------------	--

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

YANKOVICH ADELMAN JOHNSON STEVENSON

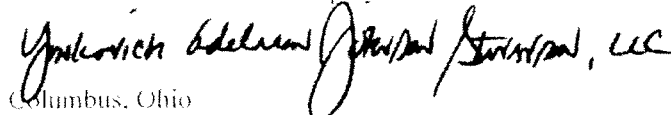
To the Plan Administrator of
Rocky Brands, Inc.
Retirement Plan for Non-Union Employees
Nelsonville, Ohio

Independent Auditors' Report

We were engaged to audit the accompanying statements of net assets available for benefits of Rocky Brands, Inc. Retirement Plan as of March 31, 2010 and 2009 and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedules of assets (held at end of year) and transactions or series of transactions in excess of 5% of the current value of Plan assets. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in the notes to the financial statements, which was certified by the Trust Division of the Huntington National Bank, the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained certification from the trustee as of and for the years ended March 31, 2010 and 2009, that the information provided to the Plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America, and in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Columbus, Ohio
October 26, 2010

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 04/01/2009 and ending 03/31/2010

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Rocky Brands, Inc. Retirement Plan	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Rocky Boots, Inc.	D Employer Identification Number (EIN) 31-1364046	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500		

Part I Basic Information			
1 Enter the valuation date: Month <u>4</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value	2a		5,848,174
b Actuarial value	2b		6,432,991
3 Funding target/participant count breakdown			
		(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a	74	4,196,156
b For terminated vested participants	3b	112	1,375,505
c For active participants:			
(1) Non-vested benefits	3c(1)		369,736
(2) Vested benefits	3c(2)		3,470,533
(3) Total active	3c(3)	404	3,840,269
d Total	3d	590	9,411,930
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5		6.66 %
6 Target normal cost	6		79,544

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	 Signature of actuary	<u>12/15/2010</u> Date
Frank T. Vedegys, FSA Type or print name of actuary		<u>08-04752</u> Most recent enrollment number
CBIZ Benefits & Insurance Services, Firm name		<u>(216) 447-9000</u> Telephone number (including area code)
6050 Oak Tree Blvd, Suite 500 Cleveland OH 44131 Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	432,197	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	267,213	0
9	Amount remaining (Item 7 minus item 8)	164,984	0
10	Interest on item 9 using prior year's actual return of <u>(24.11)</u> %	(39,778)	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of _____%		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		0
12	Reduction in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	125,206	0

Part III Funding percentages			
14	Funding target attainment percentage	14	67.02 %
15	Adjusted funding target attainment percentage	15	67.02 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.00 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	68.35 %

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
12/14/2010	452,196				
Totals ▶			18(b)	452,196	18(c)
					0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 405,144
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of Quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions used to determine funding target and target normal cost**21** Discount rate:**a** Segment rates:

1st segment:

5.33 %

2nd segment:

6.62 %

3rd segment:

6.80 %

☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

0

22 Weighted average retirement age**22**

65

23 Mortality table(s) (see instructions) ☒

Prescribed - combined

☐ Prescribed - separate☐ Substitute**Part VI Miscellaneous items****24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No**27** If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment. **27****Part VII Reconciliation of unpaid minimum required contributions for prior years****28** Unpaid minimum required contribution for all prior years **28** 0**29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a) **29** 0**30** Remaining amount of unpaid minimum required contributions (item 28 minus item 29) **30** 0**Part VIII Minimum required contribution for current year****31** Target normal cost, adjusted, if applicable (see instructions) **31** 79,544**32** Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment

2,539,429

450,734

b Waiver amortization installment

0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount **33****34** Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33) **34**

530,278

	Carryover balance	Prefunding balance	Total balance
35 Balances used to offset funding requirement	125,206	0	125,206

36 Additional cash requirement (item 34 minus item 35) **36** 405,072**37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c) **37** 405,144**38** Interest-adjusted excess contributions for current year (see instructions) **38** 72**39** Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37) **39** 0**40** Unpaid minimum required contribution for all years **40** 0

**Schedule SB, line 22 –
Description of Weighted Average Retirement Age**

All participants are assumed to retire at age 65.

**Schedule SB, Part V –
Statement of Actuarial Assumptions/Methods**

Interest Rate	5.33 % 1 st Segment Rate 6.62 % 2 nd Segment Rate 6.80 % 3 rd Segment Rate
Salary Scale	N/A
Mortality Rates	2009 Combined Mortality for healthy lives Disability Mortality per IRS Rev. Ruling 96-7 for Disabled
Retirement Age	First day of the month coinciding with or next following the employees' 65 th birthday and the completion of three years of credited service or age 57 with 35 years of service.
Form of payment	All assumed to elect the normal form of payment
Employees excluded	Those not eligible to participate.
Marriage	100% of males and 100% of females are assumed to be married. Wives are assumed to be three years younger than their husbands.
Actuarial Value of Assets	The Actuarial Value of Assets (AVA) must be within 10% of the Market Value of Assets on the valuation date and no more than 24 months of past experience can be recognized in the smoothing process.
Changes since prior year	The mortality table and interest rates were changed to comply with the Pension Protection Act of 2006. Effective 4/1/09, the Actuarial Value of Assets was changed from Market Value to the method shown above.

**Schedule SB, Part V –
Summary of Plan Provisions**

- | | |
|-------------------------------------|---|
| 1. <u>Anniversary Date</u> | April 1. |
| 2. <u>Eligibility</u> | April 1 st nearest the attainment of age 21 and the completion of one year of service. |
| 3. <u>Normal Retirement Date</u> | First day of the month coinciding with or next following the employees' 65 th birthday and the completion of three years of credited service or age 57 with 35 years of service. |
| 4. <u>Normal Retirement Benefit</u> | <p>Monthly pension for life thereafter, equal to the greater of:</p> <p>(i) 1.5% of Average Monthly Compensation, times years of credited service, capped at 35 years.</p> <p>(ii) \$12.00 times years of credited service, capped at 35 years.</p> <p>Accrued Benefits frozen as of December 31, 2005, for Non U.S. Territorial Employees.</p> <p>U.S. Territorial Employees – a monthly pension for life thereafter, equal to \$7.50 times years of credited service, maximum 35 years.</p> |
| 5. <u>Early Retirement Date</u> | The first day of the month coinciding with or next following the participant's 55 th birthday and five years of service. |
| 6. <u>Early Retirement Benefit</u> | Accrued pension for life thereafter commencing at the Early Retirement Date, reduced 5/9 of 1% for each month between Early and Normal Retirement. |
| 7. <u>Disability Eligibility</u> | Participant must be eligible for Social Security Disability Benefits. |
| 8. <u>Disability Benefit</u> | Accrued Benefit payable at Normal Retirement Date. |

**Schedule SB, Part V –
Summary of Plan Provisions**

9. Termination Benefit

Participant's vested accrued pension, payable at Normal Retirement Date, based on years of credited service from the table below:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 5	0%
5 or more	100%

10. Death Benefit

Joint & 50% Survivor coverage is automatic for the spouse of any vested participant regardless of age. Benefit is payable (1) after the later of the participant's death, or (2) the date the participant would have reached the earliest permissible retirement age.

**Schedule SB, line 25 –
Change in Method**

The actuarial value of assets is changed to a 24 month smoothing method as permitted under Code section 430(g)(3)(B), the value of which is within 90% to 110% of the fair market value of assets.

**Schedule SB, line 26 –
Schedule of Active Participant Data**

	Years of credited service:									
	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	>40	Total
Age										
Under 25	16	1	0	0	0	0	0	0	0	17
25 to 29	26	6	0	0	0	0	0	0	0	32
30 to 34	19	15	7	0	0	0	0	0	0	41
35 to 39	22	23	13	9	0	0	0	0	0	67
40 to 44	25	23	10	13	0	0	0	0	0	71
45 to 49	23	20	9	8	3	0	0	0	0	63
50 to 54	10	17	10	7	4	1	2	0	0	51
55 to 59	6	17	10	5	1	0	0	0	0	39
60 to 64	3	8	3	3	1	0	1	0	0	19
65 to 69	0	4	0	0	0	0	0	0	0	4
70 & up	0	0	0	0	0	0	0	0	0	0
Total	150	134	62	45	9	1	3	0	0	404

**Schedule SB, line 32 –
Schedule of Amortization Bases**

Type of Base	Date Established	Balance At Val Date	Payment	Years Remaining At Val Date
Shortfall	4/1/2008	\$1,012,136	192,982	6
Shortfall	4/1/2009	\$1,527,293	257,752	7
Total		\$ 2,539,429	\$ 450,734	

ROCKY BRANDS, INC. RETIREMENT PLAN
EIN#31-1364046 PLAN# #002

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

March 31, 2010

(a)	Identity of Issue, Borrower, (b) Lessor or Similar Party	Description (c) Investment	(d) Cost	Current (e) Value
	Common Stocks:			
	AMB Property Corp	Common Stock	2,516	3,487
	AT&T	Common Stock	17,841	12,894
	Abbott Laboratories	Common Stock	16,317	18,227
	Acacia Research Corp	Common Stock	3,779	6,151
	Adobe Systems Inc	Common Stock	12,099	19,984
	Aetna Inc New	Common Stock	18,718	24,331
	Affiliated Managers Group	Common Stock	15,686	26,070
	Air Prods & Chems Inc w/IRT/SH	Common Stock	22,107	27,066
	Alliance Data Systems Corp	Common Stock	9,136	14,526
	Amazon.com Inc	Common Stock	23,346	41,410
	American Electric Power	Common Stock	13,854	18,013
	American Express	Common Stock	37,222	40,930
	American Superconductor Corp	Common Stock	1,983	2,485
	American Water Works Co Inc	Common Stock	22,097	22,957
	Amerisource Bergen Corp w/l	Common Stock	19,828	26,086
	Amgen Inc	Common Stock	36,939	37,458
	Amphenol Corp CL A	Common Stock	7,736	9,830
	Anadarko Petroleum Corp w/l	Common Stock	27,306	36,488
	Apache Corp	Common Stock	31,598	28,522
	Apple Inc	Common Stock	36,762	68,150
	Arm Holdings PLC - ADR	Common Stock	6,608	10,915
	Atheros Communications	Common Stock	4,660	5,961
	Avalonbay Communities Inc	Common Stock	7,967	13,125
	Bank of America Corp	Common Stock	51,999	65,349
	Bed Bath & Beyond Inc	Common Stock	22,222	28,925
	Best Buy Company Inc	Common Stock	38,632	47,475
	Bioscrip Inc	Common Stock	195	208
	Blackboard Inc	Common Stock	9,847	11,540
	Blue Coat Systems Inc	Common Stock	1,883	2,545
	Boeing Co	Common Stock	21,702	23,526
	Boston Properties Inc w/l RT P.S	Common Stock	4,300	7,016
	Boston Scientific Corp	Common Stock	5,513	5,191
	Bristol-Myers Squibb Co	Common Stock	8,490	11,161
	Broadcom Corp CL A	Common Stock	40,200	64,773

ROCKY BRANDS, INC. RETIREMENT PLAN

EIN#31-1364046 PLAN# 002

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

March 31, 2010

(a)	Identity of Issue, Borrower, (b) Lessor or Similar Party	Description (c) Investment	(d) Cost	Current (e) Value
	Brocade Communications Sys	Common Stock	18,610	18,637
	California Pizza Kitchen Inc	Common Stock	3,061	3,392
	Capital One Financial Corp	Common Stock	16,451	26,378
	Carnival Corp	Common Stock	26,182	31,337
	Caterpillar Inc	Common Stock	25,669	27,214
	Celgene Corp W/I RT P/S EXP	Common Stock	13,437	12,888
	Central Garden & Pet Co	Common Stock	1,764	1,688
	Charming Shoppes	Common Stock	4,863	4,390
	Chevron Corporation	Common Stock	26,964	28,815
	Chico's Fas Inc	Common Stock	2,573	2,610
	Cisco Systems	Common Stock	45,389	46,568
	Clean Harbors Inc	Common Stock	1,735	1,722
	Cobiz Financial Inc	Common Stock	3,480	3,632
	Coca Cola Hellenic Btng -ADR	Common Stock	10,347	7,292
	Cognizant Tech Solutions Crp	Common Stock	14,905	16,874
	Coinstar Inc	Common Stock	5,120	5,655
	Compass Minerals Intl	Common Stock	20,208	24,791
	Comtech Telecommunications	Common Stock	3,631	3,906
	Corning Inc	Common Stock	6,603	7,377
	DST Systems Inc Del W/I Right	Common Stock	10,487	10,653
	Deere & Co w/I RT/SH	Common Stock	12,813	13,319
	Diamond Foods Inc	Common Stock	4,245	6,306
	Walt Disney Co	Common Stock	6,162	6,598
	Discover Financial Sys	Common Stock	14,442	13,872
	Donnelley (R.R.) & Sons Co	Common Stock	19,584	20,411
	Dow Chemical	Common Stock	12,464	12,745
	Dr Pepper Snapple Group - W/I	Common Stock	10,294	12,521
	Exco Resources Inc	Common Stock	17,207	16,193
	Eclipsys	Common Stock	1,442	1,531
	Entegris, Inc	Common Stock	4,935	4,980
	Entertainment Properties TR	Common Stock	20,587	23,732
	Equinix Inc	Common Stock	12,813	12,460
	Exxon Mobil Corp	Common Stock	35,223	31,347
	FMC Corp	Common Stock	21,266	23,247
	FNB Corp	Common Stock	2,218	2,538

ROCKY BRANDS, INC. RETIREMENT PLAN
EIN#31-1364046 PLAN: #002

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

March 31, 2010

(a)	Identity of Issue, Borrower, (b) Lessor or Similar Party	Description (c) Investment	(d) Cost	Current (e) Value
	FTI Consulting Inc	Common Stock	21,864	19,227
	Fedex Corp	Common Stock	19,069	20,548
	F5 Networks Inc	Common Stock	11,816	11,710
	Fifth Third Bancorp	Common Stock	16,084	19,404
	Fifth Street Finance Corp	Common Stock	3,965	4,180
	Finisar Corporation	Common Stock	5,908	8,701
	Ford Motor Co	Common Stock	26,315	42,084
	Forest Oil Corp	Common Stock	22,660	19,210
	Freeport-McMoran C & G w/I RT/SH	Common Stock	24,852	40,517
	Gamestop Corp - CL A	Common Stock	24,122	21,121
	Gardner Denver Inc	Common Stock	6,527	6,254
	QAO Gazprom Spon ADR	Common Stock	17,458	8,793
	General Dynamics Corp	Common Stock	19,497	20,612
	General Electric Co	Common Stock	18,557	22,513
	Goldman Sachs Group Inc	Common Stock	49,292	58,526
	Google Inc - CL A	Common Stock	35,430	43,668
	Graham Packaging Co Inc	Common Stock	954	1,180
	Guess Inc	Common Stock	16,076	20,953
	Haemonetic Corp w/I RT/SH	Common Stock	3,541	3,429
	Halliburton Co	Common Stock	23,555	22,447
	Hang Lung Properties LTD	Common Stock	10,518	11,408
	Hansen Natural Corp	Common Stock	12,555	14,879
	Harsco Corp w/I RT/SH	Common Stock	21,545	26,446
	Hersha Hospitality Trust	Common Stock	12,603	10,857
	Hess Corp	Common Stock	24,591	26,083
	Hewlett Packard Co	Common Stock	42,838	51,502
	Home Depot Inc	Common Stock	23,452	28,986
	Hong Kong Exchanges Unspn Adr	Common Stock	5,802	9,297
	Hospira Inc Common Stock	Common Stock	12,981	21,300
	Hughes Communications Inc	Common Stock	1,476	2,228
	Hunt Jb Trans Svcs	Common Stock	14,977	21,420
	Huntington Baneshares Inc	Common Stock	23,292	28,540
	ITT Education Services	Common Stock	17,541	20,471
	Infosys Technologies - Adr	Common Stock	4,639	7,998
	Ingram Micro Inc CL A Com	Common Stock	19,227	20,446

ROCKY BRANDS, INC. RETIREMENT PLAN
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Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

March 31, 2010

(a)	Identity of Issue, Borrower, (b) Lessor or Similar Party	Description (c) Investment	(d) Cost	Current (e) Value
	Intel Corp	Common Stock	7,498	8,492
	IBM Corp	Common Stock	15,175	18,468
	Internet Cap	Common Stock	5,729	6,118
	Intuitive Surgical Inc	Common Stock	28,294	37,946
	Inventiv Health Common Stock	Common Stock	3,842	4,020
	JP Morgan Chase & Co	Common Stock	28,876	33,160
	Kellogg Co	Common Stock	7,236	7,373
	Keycorp New W/I RT/SH	Common Stock	6,014	6,479
	Kforce Inc	Common Stock	3,568	5,111
	Kohls Corp	Common Stock	19,478	25,856
	Komatsu Ltd	Common Stock	15,366	14,473
	Kulicke & Soffa Inds Inc	Common Stock	5,435	6,532
	LSB Inds Inc	Common Stock	4,645	4,511
	Lafarge	Common Stock	11,158	10,627
	Las Vegas Sands Corp	Common Stock	18,527	21,404
	Estee Lauder Co Inc	Common Stock	15,070	28,024
	Life Technologies Corp	Common Stock	12,260	13,120
	Lincoln National Corp	Common Stock	6,748	8,995
	Meme Electr Matls Inc Com	Common Stock	24,466	25,295
	Mastec Inc	Common Stock	1,869	1,942
	Mastercard Inc CL A	Common Stock	41,933	53,594
	McDonalds Corp	Common Stock	25,930	31,092
	McGraw-Hill Companies Inc W/I RT/SH	Common Stock	13,913	14,367
	Medtronic Inc	Common Stock	12,219	12,653
	Merck & Co Inc	Common Stock	28,174	29,917
	Metlife Inc	Common Stock	20,148	21,670
	Microsoft Corp	Common Stock	8,196	12,359
	Middleby Corp	Common Stock	382	403
	Mitsubishi UFJ Financial ADR	Common Stock	12,233	10,680
	Monster Worldwide Inc	Common Stock	28,292	21,543
	Mylan Inc	Common Stock	13,940	22,460
	NBTY Inc	Common Stock	3,581	5,086
	Nasdaq OMX Group	Common Stock	21,529	23,401
	National Bank Greece - ADR	Common Stock	10,877	6,500
	Natural Gas Services Group	Common Stock	4,536	3,111

ROCKY BRANDS, INC. RETIREMENT PLAN
EIN#31-1364046 PLAN: #002

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

March 31, 2010

(a)	Identity of Issue, Borrower, (b) Lessor or Similar Party	Description (c) Investment	(d) Cost	Current (e) Value
	Netapp Inc	Common Stock	11,644	12,040
	New Oriental Education SP ADR	Common Stock	6,698	7,696
	Newmont Mining Corp W/I RT/SH	Common Stock	16,082	20,321
	Nike Inc CL B	Common Stock	9,923	14,112
	Northern Trust Corp	Common Stock	10,062	10,941
	Nvidia Corp	Common Stock	13,816	17,365
	Nutri/System Inc	Common Stock	1,243	1,016
	Nuvasive Inc	Common Stock	2,979	4,294
	OSI Systems Inc	Common Stock	3,889	3,819
	Occidental Petroleum Corp	Common Stock	29,170	31,111
	Oracle Corporation Formerly Oracle Sys Corp	Common Stock	4,498	6,607
	Optiosexpress	Common Stock	3,437	3,470
	PG & E Corp	Common Stock	17,928	18,198
	PNC Financial Services	Common Stock	19,988	29,253
	Paccar Inc	Common Stock	6,068	6,718
	Pacific Sunwear of Calif	Common Stock	1,693	1,620
	Peabody Energy Corp W/I RT/SH	Common Stock	12,919	12,065
	Pepsico Inc	Common Stock	32,454	42,541
	Pfizer Inc	Common Stock	22,337	23,221
	Phillips-Van Heusen Corp	Common Stock	3,177	5,392
	Pinnacle Financial Partners	Common Stock	1,403	1,284
	Plains Exploration & Product	Common Stock	28,241	21,983
	Priceline.com Inc	Common Stock	11,792	34,425
	Procter & Gamble Co	Common Stock	23,462	24,675
	Prudential Financial Inc	Common Stock	20,063	30,250
	Rail America Inc	Common Stock	690	602
	Regal Entertainment Group - A	Common Stock	19,233	24,211
*	Rocky Brands Inc Common Stock	Common Stock	431,465	680,679
	Rogers Communications Inc CL B	Common Stock	11,832	12,833
	SBA Communications Corp W/I RT/SH	Common Stock	19,079	22,508
	Sandridge Energy Inc	Common Stock	2,016	1,602
	Henry Schein Inc	Common Stock	7,682	8,187
	Schlumberger LTD	Common Stock	15,950	15,802
	Select Medical Holdings Corp	Common Stock	2,803	2,549
	Silgan Holdings Inc	Common Stock	7,349	8,733

ROCKY BRANDS, INC. RETIREMENT PLAN

EIN#31-1364046 PLAN: #002

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

March 31, 2010

(a)	Identity of Issue, Borrower, (b) Lessor or Similar Party	Description (c) Investment	(d) Cost	Current (e) Value
	Sirona Dental Systems Inc Common Stock	Common Stock	6,724	7,530
	Smart Balance Inc	Common Stock	521	596
	Sonoco Products	Common Stock	3,463	4,465
	Southern Co	Common Stock	12,265	12,369
	Southern Copper Corp	Common Stock	6,334	7,759
	Staples Inc W/I RT/SHS	Common Stock	17,429	19,288
	Starbucks Corp	Common Stock	10,167	18,178
	Successfactors Inc	Common Stock	979	1,142
	TJX Companies Inc	Common Stock	7,693	12,288
	TNS Inc	Common Stock	2,373	2,230
	Targacept Inc	Common Stock	2,235	2,123
	Target Corp	Common Stock	11,784	14,465
	Thermo Fisher Scientific Inc	Common Stock	54,247	62,602
	Time Warner Inc	Common Stock	30	31
	Tower Bancorp Inc	Common Stock	4,049	4,256
	Tradestation Group Inc	Common Stock	2,326	2,250
	Travelers Cos Inc	Common Stock	5,989	6,365
	True Religion Apparel Inc	Common Stock	4,635	6,983
	U S Bancorp	Common Stock	16,177	19,539
	Union Pacific Corp	Common Stock	15,262	18,105
	United National Foods Inc	Common Stock	7,717	9,564
	United States Steel Corp	Common Stock	20,043	35,127
	United Technologies Corp	Common Stock	25,807	27,015
	United Therapeutics Corp W/I RT/SH	Common Stock	4,170	4,703
	UnitedHealth Group Inc	Common Stock	25,186	28,521
	Universal Health Services CL B	Common Stock	4,387	6,843
	Ventas Inc	Common Stock	16,027	16,381
	Verizon Communications	Common Stock	14,532	13,121
	Verint Systems Inc	Common Stock	4,709	5,537
	Visa Inc Class A Shares	Common Stock	29,653	39,689
	Vornado Realty Trust	Common Stock	8,853	10,598
	Wal-Mart Stores Inc	Common Stock	10,529	10,175
	Waste Connections Inc	Common Stock	8,641	8,931
	Waste Management Inc	Common Stock	15,139	18,386
	Wells Fargo & Co	Common Stock	48,645	62,831

ROCKY BRANDS, INC. RETIREMENT PLAN
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Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

March 31, 2010

(a)	Identity of Issue, Borrower, (b) Lessor or Similar Party	Description (c) Investment	(d) Cost	Current (e) Value
	WestAmerica Bancorporation	Common Stock	4,334	4,843
	Whole Foods Market Inc	Common Stock	15,342	23,751
	Winnchago Industries Inc	Common Stock	6,887	7,086
	XILINX	Common Stock	16,690	21,420
	Aspen Insurance Holdings LTD	Common Stock	3,388	3,951
	Bunge Limited	Common Stock	14,891	19,167
	Invesco LTD	Common Stock	4,908	7,888
	Marvell Technology Group LTD	Common Stock	13,641	26,526
	Willis Group Holdings PLC	Common Stock	18,455	22,967
	Transocean LTD	Common Stock	13,086	15,721
	Core Laboratories N.V.	Common Stock	22,774	24,590
	Aegean Marine Petroleum	Common Stock	4,636	5,137
	America Movil SAB DE CV ADR Series L	Common Stock	12,243	11,276
	BG Group PLC - Spon ADR	Common Stock	10,383	10,380
	BNP Paribas	Common Stock	12,815	11,464
	BHP Billiton LTD - Spon ADR Common Stock	Common Stock	10,168	17,349
	British Sky Broadcasting ADR	Common Stock	9,669	11,536
	CNOOC LTD - ADR	Common Stock	8,814	10,070
	CSL LTD ADR	Common Stock	4,965	6,771
	Canadian NATL Railway COM	Common Stock	13,286	15,148
	Canadian Natural Resources	Common Stock	6,793	8,292
	China Life Insurance Co - ADR	Common Stock	11,395	14,408
	China Merchants Unspn ADR	Common Stock	9,719	10,534
	Dassault Systems ADR	Common Stock	7,254	7,467
	Embraer Aircraft Corp SP ADR	Common Stock	12,755	9,656
	Eriesson L M Tel Co - SP ADR	Common Stock	7,842	8,780
	Fanuc LTD Unsp ADR	Common Stock	8,760	11,784
	Fislmith & Co A/S Unspn ADR	Common Stock	6,697	8,222
	Fresenius Medical Care AG	Common Stock	11,973	15,781
	Hennes & Mauritz AB - UNSP ADR	Common Stock	14,728	17,208
	Ind & Comm BK of China Unspn ADR	Common Stock	8,111	9,307
	Intesa Sanpaolo - Spon ADR	Common Stock	11,177	10,231
	Itau Unibanco Holding SA ADR	Common Stock	5,146	7,037
	Kingfisher PLC - Spons ADR	Common Stock	9,609	11,111
	LVMH MOET Hennessy Lou - ADR	Common Stock	10,560	17,542

ROCKY BRANDS, INC. RETIREMENT PLAN
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Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

March 31, 2010

(a)	Identity of Issue, Borrower, (b) Lessor or Similar Party	(c) Investment Description	(d) Cost	Current (e) Value
	Man Group PLC	Common Stock	6,954	6,821
	Nestle SA Sponsored ADR Repsig Reg SH	Common Stock	33,166	35,554
	Nice Systems LTD	Common Stock	12,886	13,303
	Nokia Corp - Spon ADR	Common Stock	12,174	7,910
	Novartis AG ADR	Common Stock	13,070	14,228
	Novo Nordisk ADR	Common Stock	13,773	15,964
	Oest Elektrizats - Spons ADR	Common Stock	7,255	4,979
	Potosh Corp of Saskatchewan	Common Stock	28,017	27,092
	Reckitt Benckiser Group ADR	Common Stock	13,713	16,010
	Roche Hldg LTD Sponsored ADR	Common Stock	11,576	11,007
	SXC Health Solutions Corp	Common Stock	395	606
	Sabmiller PLC	Common Stock	7,217	8,528
	SAP AG - Sponsored ADR	Common Stock	19,383	20,135
	Smith & Nephew PLC - Spon ADR	Common Stock	10,209	9,912
	Telefonica SA Spon ADR	Common Stock	15,515	14,007
	Tesco PLC Sponsored ADR	Common Stock	12,058	12,048
	Teva Pharmaceutical - Sp ADR	Common Stock	20,565	26,494
	Toyota Mtr LTD Com 2 ADR	Common Stock	16,716	14,958
	Turkcell Iletisim Hizmet ADR	Common Stock	9,261	7,756
	Turkiye Garanti Bankasi ADR	Common Stock	8,524	9,253
	Vestas Wind Systems - Unsp ADR	Common Stock	17,084	11,837
	Walmart De Mexico - Spon ADR V	Common Stock	9,299	13,981
	Covidien PLC	Common Stock	15,999	17,749
	Ingersoll - Rand PLC	Common Stock	13,641	14,053
	Weatherford Intl LTD	Common Stock	18,544	18,112
	Tyco International LTD	Common Stock	6,024	6,541
	Logitech International-Reg	Common Stock	19,346	13,461
	Total Common Stocks		4,159,021	5,042,923
	Cash Management Funds			
*	Huntington Money Market Fund II	Money Market	209,966	209,966
	U.S. Government Bonds			
	FHLMC 3.15%, 2015	Bond	251,650	250,985
	FFCB 1.75% 2013	Bond	250,180	249,375

ROCKY BRANDS, INC. RETIREMENT PLAN
 EIN#31-1364046 PLAN: #002

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

March 31, 2010

(a)	Identity of Issue, Borrower, (b) Lessor or Similar Party	Description (c) Investment	(d) Cost	Current (e) Value
	FHLLB 3.125% 2013	Bond	256,995	259,765
	FHLLB 1.75% 2012	Bond	199,126	200,626
	FHLLB 2.75% 2014	Bond	248,008	250,625
	FHLLB 2.875% 2015	Bond	252,037	249,453
	Total U.S Government Bonds		1,457,996	1,460,829
	Corporate Bonds			
	Morgan Stanley 4.75% 2014	Bond	102,750	102,108
	PNC Funding Corp 3.625% 2015	Bond	99,643	100,599
	Praxair Inc. 2.125% 2013	Bond	100,222	100,244
	Sherwin-Williams Co 3.125% 2014	Bond	101,036	100,492
	Total Corporate Bonds Government Bonds		403,651	403,443
	Total Investments		\$ 6,230,634	\$ 7,117,161

*Denotes a party-in-interest investment

ROCKY BRANDS, INC. RETIREMENT PLAN
EIN#31-1364046 PLAN: #002

Schedule H, Line 4i

Transactions or Series of Transactions in Excess of 5% of the Current Value of Plan Assets

Year Ended March 31, 2010

(b) Description	Purchase (c) Price	Selling (d) Price	Cost of (g) Asset	Current Value of Asset on Transaction (h) Date	Net Gain (i) (Loss)
Category (iii) - A series of transactions in excess of 5% of plan assets					
US Government FHLB	248,908.00	-	248,908.00	249,140.00	n/a
US Government FHLB	-	50,125.00	49,782.00	50,235.00	343.00
Berks County Pennsylvania Industrial Development	-	485,000.00	485,000.00	485,000.00	n/a
Highlands County Florida Health Authority	-	400,000.00	400,000.00	400,000.00	n/a
Texas Utility System	320,000.00	320,000.00	320,000.00	320,000.00	n/a
Ohio State Housing Financial Agency	-	500,000.00	500,000.00	500,000.00	n/a
University Of South Florida	150,000.00	-	150,000.00	150,000.00	n/a
University Of South Florida	160,000.00	-	160,000.00	160,000.00	n/a
University Of South Florida	-	480,000.00	480,000.00	480,000.00	n/a

Category (iii) - A single transactions in excess of 5% of plan assets

Florida Housing Authority	400,000.00				
Highlands County Florida Health Authority	320,000.00				
Highlands County Florida Health Authority	320,000.00				
Ohio State Housing Financial Agency	500,000.00				
University Of South Florida	480,000.00				
Berks County Pennsylvania Industrial Development	455,000.00				

There were no category (i), (ii) or (iv) reportable transactions during the year ended March 31, 2010

*Denotes a party-in-interest investment.

ROCKY BRANDS, INC. RETIREMENT PLAN

Statements of Net Assets Available for Benefits

March 31, 2010 and 2009

	2010	2009
Assets		
Investments at fair value:		
Money market funds	\$ 209,966	\$ 1,172,859
Common stocks	5,042,923	2,840,959
Corporate Bonds	403,443	-
U.S. Government Bonds	1,460,829	-
Municipal bonds	-	1,825,000
Total investments	<u>7,117,161</u>	<u>5,838,818</u>
Receivables:		
Employer contribution	452,196	-
Accrued interest and dividends	18,596	9,355
Total assets	<u>7,587,953</u>	<u>5,848,173</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u><u>\$ 7,587,953</u></u>	 <u><u>\$ 5,848,173</u></u>

The accompanying notes are an integral part of the financial statements.

ROCKY BRANDS, INC. RETIREMENT PLAN

Statements of Changes in Net Assets Available for Benefits

For the years ended March 31, 2010 and 2009

	2010	2009
Additions to Net Assets Attributed to:		
Investment income		
Interest and dividend income	\$ 94,150	\$ 202,381
Net appreciation in fair value of investments	1,717,891	-
Employer contributions	452,196	-
Total additions	<u>2,264,237</u>	<u>202,381</u>
Deductions from Net Assets Attributed to:		
Benefit payments	385,518	366,810
Net depreciation in fair value of investments	-	2,016,283
Plan expenses	138,939	100,078
Total deductions	<u>524,457</u>	<u>2,483,171</u>
Net increase (decrease)	1,739,780	(2,280,790)
Net Assets Available for Benefits:		
Beginning of Year	<u>5,848,173</u>	<u>8,128,963</u>
End of Year	<u>\$ 7,587,953</u>	<u>\$ 5,848,173</u>

The accompanying notes are an integral part of the financial statements.

ROCKY BRANDS, INC. RETIREMENT PLAN

Notes to Financial Statements

March 31, 2010 and 2009

Plan Description

The following brief description of the Rocky Brands, Inc. Retirement Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a defined benefit, non-contributory pension plan and trust subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Effective April 1, 2009, the Plan was amended to comply with various regulatory and legal requirements. See appropriate plan documents for details on the amendments. Additionally, the name of the Plan was changed from the Rocky Brands, Inc. Retirement Plan for Non-Union Employees to the Rocky Brands, Inc. Retirement Plan.

Pension Benefits

The Plan covers all non-union employees who have attained the age of twenty-one (21) and have completed one year of credited service. Participants are fully vested after five (5) years of credited service. Benefits are payable at normal retirement age (age 65 with three (3) years of credit service), early retirement age (age 57 with five (5) years of credited service) or upon disability.

The contributions of Rocky Brands, Inc. (the "Company"), based on actuarial determination, are made in amounts sufficient to fund the Plan's current service costs on a current basis, and to fund the unfunded liability for past service over a 20-year period.

Calculations of the present value of vested benefits under the Plan, and of the actuarially determined prior service costs are made annually by independent actuaries. Significant assumptions underlying the actuarial computations include: Assumed rate of return on investments of 7% per annum; assumed retirement at age 65; and assumed employee rates of termination from the Actuary's Pension Handbook.

The Company's funding policy is to make annual contributions to the Plan in amounts that are estimated to remain a constant percentage of employee's compensation each year, such that all employees' benefits will be fully provided for by the time they retire. As of March 31, 2010 and 2009, a contribution of \$452,196 and \$0 was required, respectively.

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

The benefits of non-US territorial employees were frozen December 31, 2005.

ROCKY BRANDS, INC. RETIREMENT PLAN

Notes to Financial Statements

March 31, 2010 and 2009

Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Fair Value footnote for discussion of fair value measurements.

Net appreciation/(depreciation) in fair value of investments is reflected in the statements of changes in net assets available for benefits and includes realized gains and losses on investments bought and sold and the change in appreciation/(depreciation) from one period to the next. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits (see Plan Benefits) are those estimated future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to services rendered by the employees to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits for retired or terminated employees or their beneficiaries are based on employees' years of service. The accumulated plan benefits for active employees are based on their average compensation during the three years ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances -- retirement, death, disability, and termination of employment are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

ROCKY BRANDS, INC. RETIREMENT PLAN

Notes to Financial Statements

March 31, 2010 and 2009

Summary of Significant Accounting Policies (continued)

The actuarial present value of accumulated plan benefits is determined by an independent actuary from CBIZ Benefits and Insurance Services, Inc. and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts of interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations of March 31, 2010 were (a) life expectancy of participants (2010 Combined Mortality for Healthy Lives Disability), (b) retirement age assumptions (the assumed average retirement age was 65) and (c) investment return was 6%. The significant actuarial assumptions used in the valuations of March 31, 2009 were (RP 2000 Annuity Mortality Table was used), (b) retirement age assumptions (the assumed average retirement age was 65), and (c) investment return was 7%.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated benefits.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Trustee fees incurred by the Plan are recorded as incurred.

Subsequent Events

The Plan evaluated subsequent events through the date the financial statements were issued which was October 26, 2010.

Plan Benefits

The actuarial present value of accumulated plan benefits is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

ROCKY BRANDS, INC. RETIREMENT PLAN

Notes to Financial Statements

March 31, 2010 and 2009

Plan Benefits (continued)

The actuarial present value of accumulated plan benefits as of the end of each plan year is as follows:

	<u>2010</u>	<u>2009</u>
Vested Benefits:		
Participants currently receiving payments	\$ 4,130,055	\$ 4,016,808
Other participants	5,554,103	5,150,824
Total vested benefits	9,684,158	9,167,632
Non-vested benefits	358,500	116,546
Total accumulated plan benefits	<u>\$ 10,042,658</u>	<u>\$ 9,284,178</u>

The changes in actuarial present value of accumulated plan benefits for each plan year are as follows:

	<u>2010</u>	<u>2009</u>
Present value at the beginning of the year	\$ 9,284,178	\$ 8,741,310
Increase (decrease) attributable to:		
Change in assumption(s)	331,167	-
Benefits accumulated	209,161	283,878
Decrease in discount period	603,670	625,800
Benefits paid	(385,518)	(366,810)
Total present value	<u>\$ 10,042,658</u>	<u>\$ 9,284,178</u>

Significant assumptions underlying the actuarial computations are as follows:

Actuarial cost method	Entry age normal
Assumed rate of return on investments	7.0% compounded annually
Mortality	2010 Combined Mortality for Healthy Lives Table
Retirement	Normal retirement age under the Plan

The actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. During 2010, the actuary changed the Mortality table to the 2010 Combined Healthy Lives Mortality Table from the RP 2000 Group Annuity Mortality Table. Additionally, the interest rate was changed from 7% in 2009 to 6% in 2010. The actuarial present value of accumulated plan benefits increased \$331,167 in 2010 as a result of a change in actuarial assumptions.

ROCKY BRANDS, INC. RETIREMENT PLAN

Notes to Financial Statements

March 31, 2010 and 2009

Plan Benefits (continued)

The actuarial present value of accumulated plan benefits as of the end of each plan year is as follows:

	2010	2009
Vested Benefits:		
Participants currently receiving payments	\$ 4,130,055	\$ 4,016,808
Other participants	5,554,103	5,150,824
Total vested benefits	9,684,158	9,167,632
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Actuarial cost method	Entry age normal
Assumed rate of return on investments	7.0% compounded annually
Mortality	2010 Combined Mortality for Healthy Lives Table
Retirement	Normal retirement age under the Plan

The actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. During 2010, the actuary changed the Mortality table to the 2010 Combined Healthy Lives Mortality Table from the RP 2000 Group Annuity Mortality Table. Additionally, the interest rate was changed from 7% in 2009 to 6% in 2010. The actuarial present value of accumulated plan benefits increased \$331,167 in 2010 as a result of a change in actuarial assumptions.

ROCKY BRANDS, INC. RETIREMENT PLAN

Notes to Financial Statements

March 31, 2010 and 2009

Funding Policy

The Company's funding policy is to contribute funds to the trust for the Plan as necessary to provide for current service and for any unfunded projected benefit obligation over a reasonable period. To the extent that these requirements are fully covered by assets in the trust, the Company may elect not to make any contribution in a particular year. The Company did not make any contributions in the years ended March 31, 2010 and 2009. The Plan met the minimum funding requirement of ERISA as of March 31, 2009. The Company is required to make a contribution of \$452,196 to meet the minimum funding requirement for ERISA for the year ended March 31, 2010. The Company is required to make the contribution by December 15, 2010, and this amount has been recorded as a receivable as of March 31, 2010.

Fair Value Measurements

ASC 820 establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under SFAS are described below:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access. |
| Level 2 | <p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets or liabilities in inactive markets;• Inputs other than quoted prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

ROCKY BRANDS, INC. RETIREMENT PLAN

Notes to Financial Statements

March 31, 2010 and 2009

Fair Value Measurements (continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2010.

Money market and equities: Valued at the quoted stock price per share held by the Plan at year-end.

U.S. Government Obligations: Valued at the closing price reported on the active market on which the individual securities is traded.

Corporate Bond Obligations: Valued at the closing price reported on the active market on which the individual securities is traded.

Municipal Obligations: Valued at the closing price reported on the active market on which the individual securities is traded. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets as fair value as of March 31, 2010:

	Investments at Fair Value as determined by Quoted Prices in active markets (Level 1)	Investments at estimated fair value		Total
		Valuation techniques based on observable market data (Level 2)	Valuation techniques incorporating information other than observable market data (Level 3)	
Equities	\$ 5,042,923	\$ -	\$ -	\$ 5,042,923
Corporate Bond	403,443	-	-	403,443
U.S. Gov't Bond	1,460,829	-	-	1,460,829
Money market	209,966	-	-	209,966
Total Investments	\$ 7,117,161	\$ -	\$ -	\$ 7,117,161

ROCKY BRANDS, INC. RETIREMENT PLAN

Notes to Financial Statements

March 31, 2010 and 2009

Fair Value Measurements (continued)

Interest and dividends	\$ 94,150	\$ -	\$ -	\$ 94,150
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The following table sets forth by level, within the fair value hierarchy, the Plan's assets as fair value as of March 31, 2009:

	Investments at Fair Value as determined by Quoted Prices in active markets (Level 1)	Investments at estimated fair value		Total
		Valuation techniques based on observable market data (Level 2)	Valuation techniques incorporating information other than observable market data (Level 3)	
Equities	\$ 2,840,959	\$ -	\$ -	\$ 2,840,959
Municipal Obligations	-	1,825,000	-	1,825,000
Money market	1,172,859	-	-	1,172,859
Total Investments	\$ 4,013,818	\$ 1,825,000	\$ -	\$ 5,838,818

Interest and dividends	\$ 75,475	\$ 126,906	\$ -	\$ 202,381
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ROCKY BRANDS, INC. RETIREMENT PLAN

Notes to Financial Statements

March 31, 2010 and 2009

Investments

The Plan's investments are held by a Trustee. The following information included in the accompanying financial statements and supplemental schedule was obtained from data that has been prepared and certified to as complete and accurate by the Trustee. During 2010 and 2009, the Plan's investments appreciated or depreciated in fair value as follows:

	Gains/Losses Net Appreciation (Depreciation) In Fair Value During Year	Fair Value at End of Year
Year ended March 31, 2010		
Corporate bonds	\$ (208)	\$ 403,443
U.S Government bonds	2,833	1,460,829
Common stocks	1,715,266	5,042,923
Money market funds	-	209,966
	<u>\$ 1,717,891</u>	<u>\$ 7,117,161</u>
Year ended March 31, 2009		
Municipal bonds	\$ -	\$ 1,825,000
Common stocks	(2,016,283)	2,840,959
Money market funds	-	1,172,859
	<u>\$ (2,016,283)</u>	<u>\$ 5,838,818</u>

Individual investments that represent 5% or more of the Plan's net assets are as follows:

		2010	2009
Municipal bonds	Berks PA Development	\$ *	\$ 485,000
	Florida Financial Corporation	*	400,000
	Ohio State Financial Agency	*	500,000
Money market funds	Huntington Money Market Fund	\$ *	\$ 1,172,641
Common stocks	Rocky Brands, Inc	\$ 680,679	\$ *

* These investments did not represent more than 5% or more of the Plan's net assets as of March 31, 2010 or 2009, respectively.

ROCKY BRANDS, INC. RETIREMENT PLAN

Notes to Financial Statements

March 31, 2010 and 2009

Transactions with Related Parties and Parties-in-Interest

The Plan holds 71,350 shares of common stock issued by the Plan Sponsor. No additional shares were purchased during the years ended March 31, 2010 and 2009.

Plan Termination

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- a. Benefits attributable to employee contributions, taking into account those paid out before termination.
- b. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under the Plan provisions in effect at any time during the five years preceding plan termination.
- c. Other vested benefits insured by the PBGC up to the applicable limitations.
- d. All other vested benefits (that is, vested benefits not insured by the PBGC).
- e. All non-vested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2010 that ceiling is \$4,500 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward. Benefit improvements attributable to Plan amendments may not be fully guaranteed even though total benefit entitlements fall below the aforementioned ceilings. Benefit increases and new benefits are only partially covered by PBGC's guarantee if they have been in the plan less than five years on the date of plan termination. PBGC guarantees the larger of 20% or \$20 per month of the increase for each whole year since the benefit increase was effective.

ROCKY BRANDS, INC. RETIREMENT PLAN

Notes to Financial Statements

March 31, 2010 and 2009

Plan Termination (continued)

Participants may receive the full benefit increase if the increase has been in the plan more than five years. Generally, benefit increases occurring within one year of plan termination are not guaranteed.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

Income Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated October 10, 2007, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

Risk and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.