

FY22 ANNUAL INCENTIVE PLAN



What Does That Look Like for AIP:

Example Home Office & Field Associate Payout Calculation: AIP (Directors and Below)

- Base salary: \$80,000
- Associate Incentive Target: \$8,000 (10% AIP Target)
 - Annual EBITDA: \$4,000 total target (\$1,000 target per quarter)
 - Annual Individual Performance-Based: \$4,000 total target

EBITDA Incentive Opportunity Example

Incentive Period	EBITDA Performance	Incentive Payout
Quarter 1 Incentive Payout	100% EBITDA attainment	\$1,000
Quarter 2 Incentive Payout	70% EBITDA attainment (Below Threshold)	\$0
Quarter 3 Incentive Payout	110% EBITDA attainment (Cap at Target)	\$1,000
Quarter 4 Incentive Payout	90% EBITDA attainment (80% of Target)	\$800
Total Quarterly Payouts		\$2,800
Annual Incentive Earned	105% EBITDA attainment (120% of target)	\$4,800
Annual True-Up Payout	Annual Incentive – Total Quarterly Payouts =	\$2,000
Total EBITDA Incentive Payouts	Total Quarterly Payouts + Annual True-Up =	\$4,800

Quarterly incentives earned based on Company EBITDA performance

Annual incentive earned based on Company EBITDA performance for the full year

Annual true-up is the difference between the annual incentive and the total of all quarterly incentives paid

Individual Performance-Based Incentive Opportunity *

Individual Performance	Exceeds	Achieves	Needs Improvement
Total EBITDA Incentives	\$4,800	\$4,800	\$4,800
Individual Performance Based Payout	\$4,800 (120% of target)	\$4,800 (120% of target)	\$0 (not eligible)
Total Annual Payout	\$9,600	\$9,600	\$4,800

* Payment of the Individual Performance-based annual component is at the discretion of the Belk Board. The above is only an example based on the scenario of 105% annual attainment and does not signify any payout guarantee