

FY20 ANNUAL INCENTIVE PLAN



What Does That Look Like for AIP:

Example 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

Incentive Period	EBITDA Performance	Incentive Payout
Quarter 1 Incentive Payout	100% EBITDA attainment	\$1,000
Quarter 2 Incentive Payout	85% EBITDA attainment	\$0
Quarter 3 Incentive Payout	105% EBITDA attainment (capped at Target)	\$1,000
Quarter 4 Incentive Payout	97% EBITDA attainment (75% of Target)	\$750
Total Quarterly Payouts		\$2,750
Annual Incentive Earned	100% EBITDA attainment	\$4,000
Annual True-Up Payout	Annual Incentive – Total Quarterly Payouts =	\$1,250
Total EBITDA Incentive Payouts	Total Quarterly Payouts + Annual True-Up =	\$4,000

Quarterly incentives earned based on EBITDA performance of each quarter

Annual incentive earned based on EBITDA performance for the full year

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

Individual Performance-Based Incentive Opportunity *

Review Rating	Exceeds	Achieves	Needs Improvement
Total EBITDA Incentives	\$4,000	\$4,000	\$4,000
Individual Performance Based Payout	\$4,800 (120% of target)	\$4,000 (100% of target)	\$0 (not eligible)
Total Annual Payout	\$8,800	\$8,000	\$4,000

Individual performance incentive based on performance to their goals
Better performance = Higher incentive

Total AIP earned for the year
EBITDA Incentive + Individual Incentive

*Payments of the individual performance based annual component is at the discretion of the Belk Board.
The example above assumes payout at 100% of target. Payout % for Exceeds may vary – example only.