Celebrating SUCCESS

A MANAGER’S GUIDE TO TEAM REWARDS

TEAM REWARDS
Talbots Employee Achievement & Motivation
PERSONALIZED RECOGNITION THAT GETS RESULTS

As a manager, you are challenged each day to encourage your team and inspire them to achieve great results. You’ve personalized your approach for positively impacting the performance of your store associates, and your efforts are greatly appreciated.

But what if you had another tool you could use to powerfully motivate your store team—something that electrifies sales performance, offers online ease, and allows each associate to celebrate achievement in a personalized style?

Now you do!

It’s called TEAM Rewards, and it’s going to transform the culture of recognition at Talbots.

TALBOTS EMPLOYEE ACHIEVEMENT & MOTIVATION PROGRAM

As its name suggests, TEAM Rewards was created to not only encourage Talbots associates to strive for new heights of achievement during each shift, but also to reward their accomplishments along the way.

It’s a powerful tool, and we are delighted to have your enthusiastic support as we introduce the online platform and rollout the program nationwide. We’re confident that, with your help, it will quickly become a value-added motivator that Talbots associates will greatly appreciate.
TEAM REWARDS OFFICIAL RULES AND PROGRAM STRUCTURE

ELIGIBLE PARTICIPANTS
Talbots General Managers, Store Managers, Co Managers, Assistant Managers, Client Specialists and Sales Support Associates

• Eligibility begins during the first full fiscal month after hire or rehire.

• If a participant transfers between store locations, points awarded in that month will be prorated based on the amount of time in each location.

• If a participant is on an approved leave of absence (paid or unpaid) for a full month they will not receive points for that month; if on an approved leave of absence (paid or unpaid) for a partial month their points will be prorated based on time worked.

QUALIFYING SALES

• Qualifying store sales are defined as monthly net sales compared to monthly store sales targets, including DFFS but excluding Red Line.

• Points will be awarded based on activity generated at the associate’s home store location. (Excluding Loaned / Borrowed activity.)
EARNINGS STRUCTURE — STORE PERFORMANCE
Co Managers, Assistant Managers, Client Specialists and Sales Support (Key) Associates\(^1\) will be rewarded based on performance to monthly store targets. Points will be awarded as follows:

<table>
<thead>
<tr>
<th>TIERS(^2)</th>
<th>AWARD POINTS EARNED</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-9.9%</td>
<td>500 Award Points</td>
</tr>
<tr>
<td>+10%</td>
<td>1,000 Award Points</td>
</tr>
</tbody>
</table>

\(^1\)Sales Support (Key) Associates only; Sales Support (non-Key) Associates will participate in Individual Performance incentives as outlined below.\(^2\)Point tiers are based on store performance over monthly net sales targets.

EARNINGS STRUCTURE — INDIVIDUAL PERFORMANCE
Opportunities to earn points based on Individual Performance will also be provided periodically throughout the year. Details including program goals, participant eligibility, rules and guidelines will be communicated to eligible participants for each specific incentive campaign.

PROGRAM AWARDS
The TEAM Rewards program offers participants the opportunity to earn valuable Award Points for achievement in Store Performance and Individual Performance as outlined above.

Award Points earned in TEAM Rewards will be deposited directly into the participant’s personal TEAM Rewards account. Award Points can then be redeemed right away (or saved for redemption at a later date) for the associate’s choice of rewards.

Electronics, home décor, toys, sporting goods, fine jewelry, fitness gear, tools...there are more than 650,000 merchandise options alone. Plus, Award Points are also redeemable for dining and entertainment experiences, do-it-yourself travel getaways, golf concierge services, digital downloads, and movie tickets. That’s not all, Award Points can be redeemed for tickets to concerts, theatrical productions, professional sporting events...there’s something to suit every personal-style profile. And the entire collection can be viewed right here: [https://teamrewards.performnet.com](https://teamrewards.performnet.com)
AWARD ISSUANCE

• Points for performance to store target sales will be deposited monthly.
• Points for Individual Performance campaigns will be deposited at the end of each incentive period after final results have been calculated.
• Associates will receive an email notification each time points are deposited into their rewards account.
• Associates may receive program updates via email during the program period.

ACCESSING THE PROGRAM WEBSITE

• Eligible associates will be instructed to visit the TEAM Rewards website at https://teamrewards.performnet.com
  ► Login ID = 7-digit employee ID
  ► Initial password = talbots123

• After initial login, associates will be instructed to change their password and take a tour of the website—to review program information and browse rewards.

• The TEAM Rewards website is a robust and user-friendly online platform that provides associates with:
  ► 24/7 availability
  ► navigation ease from a desktop, laptop, tablet or phone
  ► quick access to their personal TEAM Rewards account

• Throughout the TEAM Rewards program year, associates can also visit the website to:
  ► view program rules
  ► read program updates and news stories
  ► check their personal Award Point account balance
  ► redeem Award Points
  ► and much more
YOUR ROLE AS MANAGER

How can you start building the culture of recognition using TEAM Rewards in your store right away? Here are some basic strategies, practices, suggestions we’d like for you to consider as you introduce TEAM Rewards to your associates.

- **Demonstrate** your own personal enthusiasm and support for TEAM Rewards on a daily basis.

- **Post, share, review**...TEAM Rewards promotional materials and communications as you receive them. (See chart that follows for details.)

- **Mention/promote** TEAM Rewards as part of every team warm up, monthly touch-base conversation, and one-on-one with your associates—whenever appropriate to help inspire the right behaviors and results.

- **Place** a significant focus on team results—by utilizing the daily 194 Report—to let associates know, on a frequent basis, where the store stands in relation to its monthly goal.

- **Celebrate** successes as they happen—enthusiastically and with a lot of congratulatory energy. Continue to remind associates of the Award Point earnings associated with each specific achievement.

- **Leverage** the structure of the program to motivate improved performance in other areas too.

- **Work diligently** to ensure each store associate is properly introduced to and subsequently engaged in the program—especially those who work fewer shifts each week.

- **Encourage** each associate to access the website and set their sights on a first award. Consider using sticky notes to record and post these wished-for items in a visible spot in the break area.

- **Look** for opportunities to coach to success—ensure your associates know you want them to achieve and earn as much as possible.

- **Make** participation FUN!
PROMOTING THE PROGRAM
The communication elements of **TEAM Rewards** are certain to catch the eyes and attention of your associates—but only if they are properly displayed and distributed. Here’s what you can expect to receive.

<table>
<thead>
<tr>
<th>ELEMENT/DESCRIPTION</th>
<th>PURPOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Poster</td>
<td>• Program awareness/promotion</td>
</tr>
<tr>
<td><em>(for break area or stockroom door)</em></td>
<td>• Website URL promotion</td>
</tr>
<tr>
<td></td>
<td>• Showcase awards</td>
</tr>
<tr>
<td>Associate Program Brochure</td>
<td>• Program promotion</td>
</tr>
<tr>
<td><em>(1 per associate)</em></td>
<td>• Award promotion</td>
</tr>
<tr>
<td></td>
<td>• Website login instructions/details</td>
</tr>
<tr>
<td>Program Website</td>
<td>• Program information/promotion</td>
</tr>
<tr>
<td><strong><a href="https://teamrewards.performnet.com">https://teamrewards.performnet.com</a></strong></td>
<td>• Showcase full award collection</td>
</tr>
<tr>
<td></td>
<td>• Personal account access</td>
</tr>
<tr>
<td></td>
<td><em>(Award Point balance)</em></td>
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<tr>
<td></td>
<td>• Award redemption</td>
</tr>
<tr>
<td>Tent Cards</td>
<td>• Program awareness/promotion</td>
</tr>
<tr>
<td><em>(for break area tables)</em></td>
<td>• Website URL promotion</td>
</tr>
<tr>
<td>TEAM Rewards View Master</td>
<td>• Program awareness/promotion</td>
</tr>
<tr>
<td><em>(for break area tables)</em></td>
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<td></td>
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</tr>
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</table>
THANKS FOR ALL YOU DO.
You know how important your role is in the success of your store, and your efforts don’t go unnoticed. That’s why you, too, have a tremendous opportunity to earn in TEAM Rewards.

So take advantage of what the program offers to see just how far you and your team can take your business in the months ahead. We’re confident you’ve got what it takes to create an exciting environment that’s sure to be celebrating lots of reward-worthy sales — thanks to your skillful leadership and TEAM Rewards.

TEAM REWARDS TERMS & CONDITIONS

• Talbots reserves the right to amend or cancel the TEAM Rewards program at any time without notice. In case of a dispute over program rules, measurement or rewards, the interpretation and decisions of Talbots are final. Talbots will also resolve all matters pertaining to the interpretation and/or application of program rules.

• Participants must be employed as a qualifying associate of Talbots and in good standing and enrolled in the TEAM Rewards program at the time of award points delivery in order to be eligible to receive the award points.

• Any participant determined by Talbots to be a party to fraudulent performance in the TEAM Rewards program will be terminated from the program, and any fraudulently earned awards will be rescinded. Participation in activities related to compensation fraud may also carry disciplinary action up to, and possibly including, separation of employment.

• Talbots reserves the right to audit all program performance information at any time.

• No award/prize substitutions are allowed and points may not be supplemented with cash or credit card in an effort to obtain higher-valued awards.

• Tax assistance will be provided to all participants in the form of a gross up for taxes on awarded points. The value of all awards earned in the TEAM Rewards program is considered taxable income and all taxes are the responsibility of the participant.

• All personal data submitted shall be used solely for the purpose of administering the TEAM Rewards program and shall be kept confidential by Talbots and its suppliers.