

Talbots
TEAM Rewards
Official Program Rules

TEAM Rewards Earnings Period

August 30, 2015 to end date TBD

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) Associates¹ will be rewarded based on performance to monthly store targets. Points will be awarded as follows:

Tiers²	Pts Earned
0-9.9%	500 points
+10%	1,000 points

¹Sales Support (Key) Associates only; Sales Support (non-Key) Associates will participate in Individual Performance incentives as outlined below.

²Point tiers are based on store performance over monthly net sales targets.

Individual Performance

Opportunities to earn points based on Individual Performance will be provided periodically throughout the TEAM Rewards pilot program period. Details including program goals, participant eligibility, rules and guidelines will be provided for each specific incentive campaign.

How the Program Works

- Participants will be provided with their initial login credentials to visit the TEAM Rewards website **[https:// teamrewards.performnet.com](https://teamrewards.performnet.com)**.
- Throughout the program, associates can visit [https:// teamrewards.performnet.com](https://teamrewards.performnet.com) to:
 - view program rules
 - see program updates
 - check their point account balance
 - redeem their points
 - and much more
- 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.

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.