

ENTERED

April 23, 2026

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

SAKS GLOBAL ENTERPRISES LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 26-90103 (ARP)

(Jointly Administered)

Ref. Docket No. 1773

**ORDER (I) AUTHORIZING AND APPROVING GLOBAL DEBTORS'
(A) KEY EMPLOYEE INCENTIVE PLAN AND (B) NON-INSIDER
COMPENSATION PROGRAM AND (II) GRANTING RELATED RELIEF**

Upon consideration of the motion (the "Motion")² of the Global Debtors for entry of an order (a) authorizing and approving the KEIP and the non-insider compensation program ("NICP") and (b) granting related relief; and this Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334(b), and the *Order of Reference to Bankruptcy Judges* from the United States District Court for the Southern District of Texas, entered May 24, 2012; and this Court having found that venue of these Chapter 11 Cases and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice need be given; and this Court having determined that it may enter an order consistent with

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors' claims and noticing agent at <https://cases.stretto.com/Saks>. The location of Debtor Saks Global Enterprises LLC's corporate headquarters and the Debtors' service address in these chapter 11 cases is 225 Liberty Street, 31st Floor, New York, NY 10281. Bradley Arant Boult Cummings LLP is counsel for the following Debtors: Saks OFF 5TH Holdings LLC, Saks OFF 5TH LLC, Saks OFF 5TH Midco Partner Inc., and Luxury Outlets USA, LLC (collectively, the "SO5 Digital Debtors"). Haynes and Boone, LLP and Willkie Farr & Gallagher LLP are counsel for the remaining Debtors (collectively, the "Global Debtors").

² Capitalized terms used but otherwise not defined herein shall have the meanings given to them in the Motion.

Article III of the United States Constitution; and upon consideration of the Weinsten Declaration and the Gartrell Declaration; and this Court having found and determined that the relief sought in the Motion is in the best interests of the Global Debtors, their estates, and their creditors; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The KEIP is authorized and approved on the terms set forth in the Motion, subject to the revised budget metrics as set forth on Exhibit 2 of the term sheet attached hereto as Exhibit A, with respect to all of the KEIP Participants.
3. The NICP is authorized and approved on the terms set forth in the Motion with respect to all of the NICP Participants.
4. The Global Debtors are authorized to take any and all actions necessary or appropriate to implement the KEIP and NICP on the terms and conditions set forth in the Motion, including making any payments contemplated by the KEIP or the NICP in accordance with such terms and conditions.
5. Except as may otherwise be agreed to in writing with the Required SGUS DIP Lenders (as defined in the Final DIP Order), nothing herein is intended to modify, alter, or waive, in any way, any terms, provisions, requirements, or restrictions of the Final DIP Order.
6. All payments made pursuant to the KEIP and the NICP shall be subject to, and made in compliance with, the Approved Budget, as such term is defined in the Final DIP Order. Any payments in excess of the applicable budgeted amounts shall require the prior written consent of the Required SGUS DIP Lenders.

7. The Global Debtors shall not amend, supplement, modify, or waive any material term of the KEIP or the NICP, including, without limitation, (a) the number of participants; (b) the amount of any individual or aggregate award; (c) the performance metrics or targets; (d) the performance periods; (e) the timing or conditions of payment; or (f) the clawback provisions without the prior written consent of the Required SGUS DIP Lenders, as such term is defined in the Final DIP Order.

8. Specifically with respect to the NICP, if an award is forfeited prior to payment, the Global Debtors are authorized, but not directed to reallocate such forfeited award solely among one or more existing NICP Participants or an already existing employee that the Global Debtors deem to be eligible; provided, however, that any such reallocation in excess of an agreed threshold amount between the Global Debtors and the Required SGUS DIP Lenders (as such term is defined in the Final DIP Order) shall be subject to the Global Debtors delivering a side agreement to, and obtaining the consent of, the Required SGUS DIP Lenders (which may be confirmed by email from counsel to the Required SGUS DIP Lenders to counsel to the Global Debtors).

9. Notwithstanding that the cash disbursements Performance Metric excludes merchandise, the portion of any KEIP Award attributable to such metric shall be payable only if, for the period from the date of this Order and through the effective date of a chapter 11 plan, the Global Debtors are generally paying in the ordinary course of business and in compliance in all material respects with the terms of the Global Debtors' postpetition vendor agreements (the "Vendor Agreements") their undisputed payment obligations to merchandise vendors arising under the Vendor Agreements that have not otherwise been breached by such merchandise vendors. Any challenge to such compliance must be delivered in writing by counsel to the Committee to (i) counsel to the Global Debtors and (ii) counsel to the Ad Hoc Group of Secured

Noteholders and DIP Lenders, no later than seven (7) business days prior to the effective date of any confirmed chapter 11 plan. Disputes shall be resolved consensually (including by the Global Debtors' curing any breach) or, failing resolution, by the Bankruptcy Court, in each case, prior to the effective date of any such confirmed plan. The Committee shall have standing to raise any unresolved disputes with the Bankruptcy Court to enforce this paragraph through the effective date of any such confirmed chapter 11 plan.

10. The Global Debtors shall provide the Committee and the Ad Hoc Group of Secured Noteholders and DIP Lenders, and their respective advisors, with calculations of each applicable performance period in which any payment is made in accordance with the KEIP and reasonable detail in support of such calculations.

11. For the avoidance of doubt, this Order does not approve any prepetition payments made by the Global Debtors to any of the Participants.

12. For the avoidance of doubt, no Annual Bonus (as defined in the employment agreements of the Chief Executive Officer, Chief Financial Officer, Chief Global Brand Partnerships, and Chief Commercial Officer) may be earned by any such executives with respect to fiscal year 2026 during the pendency of the Chapter 11 Cases.

13. The relief granted herein is without prejudice to the Global Debtors' ability to request further relief related to the KEIP or NICP, as applicable.

14. The Global Debtors are authorized, but not directed, to take any and all actions necessary to effectuate the relief granted herein.

15. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be effective and enforceable immediately upon their entry.

16. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

17. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Signed: April 23, 2026

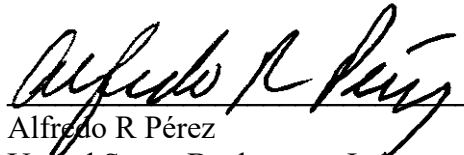

Alfredo R Pérez
United States Bankruptcy Judge

EXHIBIT A

Revised Compensation Plans Term Sheet

SAKS GLOBAL ENTERPRISES LLC**TERM SHEET FOR KEY EMPLOYEE COMPENSATION PLANS**

In connection with its chapter 11 cases currently pending in the United States Bankruptcy Court for the Southern District of Texas (the “Court”), Saks Global Enterprises LLC (collectively with certain of its direct and indirect affiliates and subsidiaries, the “Company”) intends, subject to approval by the Court, to implement (i) an incentive plan for certain key insider executives (the “KEIP”) and (ii) a retention program for certain critical non-insider employees (the “NICP”) that will properly align senior management’s goals with the overall goals of the Company and its stakeholders. Except for the KEIP and NICP, no other incentive plans or bonuses are currently effective or contemplated to be implemented during the Company’s chapter 11 cases for the employees covered by the KEIP or NICP.

| Key Employee Incentive Plan | |
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| Summary: | The KEIP has been developed with the overall goal of incentivizing critical senior executives and motivating the preservation and enhancement of enterprise value during this period of uncertainty. Further, the KEIP was developed with metrics that relate to the Company’s ongoing chapter 11 cases. The KEIP is designed to reward achievement of corporate and strategic goals and provide higher levels of pay when performance exceeds an agreed set of standards. |
| KEIP Participants: | Participation in the KEIP is limited to the eight (8) members of the senior leadership management team who would likely be considered “insiders” under title 11 of the United States Code (the “ <u>Bankruptcy Code</u> ”) and who are critical to the financial success, day-to-day operations, and the success of the restructuring of the Company (each, a “ <u>KEIP Participant</u> ”). The KEIP Participants are set forth on <u>Exhibit 1</u> hereto. |
| KEIP Awards: | Each KEIP Participant will be eligible to earn a cash payment (a “ <u>KEIP Award</u> ”), payable at emergence from chapter 11 and subject to (i) the achievement of the performance metrics described herein and (ii) except as otherwise provided for below, to the KEIP Participant’s continuous employment with the Company through the payment date. The target payment of the KEIP Award for each KEIP Participant is set forth on <u>Exhibit 1</u> hereto. |
| Performance Metrics: | <p>Each KEIP Award will be subject to the following three performance metrics (the “<u>Performance Metrics</u>”) during the Performance Period (as defined below), with targets based on the approved budget (as set forth on <u>Exhibit 1</u>):</p> <ul style="list-style-type: none"> (i) the achievement of a bankruptcy milestone, weighted at 33.34%, (ii) cash receipts, weighted at 33.33%, and (iii) cash disbursements (excluding merchandise and professional fees) weighted at 33.33%. <p>The percentage achieved of each weighted target will be determined in accordance with the target goals set forth on <u>Exhibit 2</u> hereto. The KEIP will provide for potential payments representing a range from 0% (below threshold) to 200% (maximum) for all Performance Metrics, with interpolation between threshold and maximum for the cash receipts and cash disbursement metrics.</p> |

| Key Employee Incentive Plan | |
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| | <p>The achievement of the “cash receipts” and “cash disbursements” Performance Metrics will be assessed at the end of each of the three interim performance periods and, if the applicable objective for the Performance Metric is achieved, a pro-rated portion of the bonus will be accrued for payout at the end of the program. Regardless of assessment of the Performance Metrics, the accrual for payout during each interim performance period within the performance period is capped at target; <i>provided</i> that a KEIP Participant may receive a “catch-up” payment if, at the conclusion of the entire Performance Period, the cumulative results of such performance metrics, with the metrics pro-rated to reflect emergence prior to October 13, 2026, measured across the entire Performance Period are greater than the results and payouts based on the sum of the interim results. For the avoidance of doubt, if emergence occurs before October 13, 2026, each KEIP Participant remains eligible to earn the full amount that such participant would otherwise have been eligible to earn over the entire nine-month Performance Period, with the Performance Metrics pro-rated accordingly to reflect the shortened period.</p> <p>Payouts for each of the “cash receipts” and “cash disbursements” Performance Metrics will be capped at target performance levels when measured at the end of each interim performance period, and only if at the end of the entire Performance Period cumulative performance is greater than target, the award will be trued-up for such above target performance.</p> <p>Payouts for achievement of the cash receipts and cash disbursements Performance Metrics will be linearly interpolated between defined levels from threshold to maximum, with no payment made if performance does not achieve threshold.</p> |
| Performance Period: | <p>Achievement of the Performance Metrics will be measured on an interim basis at the end of each of the three interim performance periods during the period beginning on January 13, 2026 (the “<u>Petition Date</u>”) and continuing through the earlier of (a) the date of the Company’s emergence from chapter 11 and (b) October 13, 2026, the date that is nine (9) months from the <u>Petition Date</u> (the “<u>Performance Period</u>”). The three interim performance periods are: (i) January 13, 2026 to May 2, 2026; (ii) May 3, 2026 to August 1, 2026; and (iii) August 2, 2026 to October 13, 2026.</p> |
| Treatment Upon an Early Emergence: | <p>If emergence from chapter 11 occurs before the nine-month anniversary of the <u>Petition Date</u>, achievement of the Performance Metrics for the interim performance period in which emergence from chapter 11 occurs will be actual performance, with the performance goals for the applicable Performance Metric pro-rated based on the week in which emergence from chapter 11 occurs. For the avoidance of doubt, for the week of emergence, actual performance and the performance goals will be pro-rated for the partial week, if applicable.</p> <p>For clarity, if emergence from chapter 11 occurs before the expiration of the third interim performance period in the Performance Period, the cash receipts and cash disbursements performance targets are pro-rated to reflect such shortened Performance Period, and cumulative actual performance through emergence from chapter 11 is measured against the pro-rated cash receipts and cash</p> |

| Key Employee Incentive Plan | |
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| | disbursements targets, as applicable, solely for the period between the Petition Date through the end of the week in which emergence from chapter 11 occurs, and not based on the maximum cumulative budget for each metric. |
| Payment Timing: | All KEIP Awards will be paid to KEIP Participants, to the extent earned, at emergence from chapter 11. |
| Termination of Employment; Clawback: | <p>If, prior to the payment date, a KEIP Participant’s employment is terminated (i) by the Company without “cause,”¹ (ii) due to the KEIP Participant’s death or disability or (iii) by the KEIP Participant for “good reason,”² then the KEIP Participant will be entitled to a pro rata payment of their KEIP Award. The pro rata payout is based on actual Company performance as to each Performance Metric for the entire plan Performance Period, with the amount prorated based on the number of days the KEIP Participant was employed during the Performance Period.</p> <p>Such pro rata payment will be made at emergence from chapter 11 at the same time KEIP Award payments are made to other KEIP Participants. Further, any such pro-rata payment is conditioned on the KEIP Participant’s execution of a customary release of claims (including for all unpaid prior bonus and incentive awards) and continued compliance with any applicable restrictive covenants that the participant may be subject to in favor of the Company.</p> <p>If, prior to the payment date, a KEIP Participant’s employment is terminated (i) by the Company for “cause” or (ii) by the KEIP Participant without “good reason,” any unpaid KEIP Award (whether earned or unearned) will be forfeited immediately.</p> <p>Following payment, 50% of the final KEIP Award will be subject to clawback if, on or prior to January 31, 2027, the KEIP Participant’s employment is terminated for “cause,” the KEIP Participant voluntarily resigns without “good reason” or the KEIP Participant breaches any applicable restrictive covenants that the participant may be subject to in favor of the Company. Further, to retain such award following a termination without “cause” or resignation for “good reason” prior to January 31, 2027, the KEIP Participant must execute a customary release of claims (including for all unpaid prior bonus and incentive awards).</p> |
| Termination of KEIP: | The KEIP will terminate upon the earlier of (i) the date of the Company’s emergence from chapter 11 and (ii) October 13, 2026, the date that is nine (9) months from the Petition Date; provided, that, all earned awards will remain outstanding and eligible to be paid in accordance with the terms set forth above. |

¹ The definition of “cause” will be consistent with the definition in the employment agreement executed by the CEO.

² Definition for the CEO, CFO, Chief Global Brand Partnerships and Chief Commercial Officer will be consistent with the definitions in their respective employment agreements. For all others, good reason definition will be consistent with the definition utilized in the pre-petition bonus agreements.

| Non-Insider Compensation Program | |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Summary: | The Company will establish a cash-based NICP for certain eligible non-insider employees (each, a “ <u>NICP Participant</u> ”). The NICP Participants will be employees who are not KEIP Participants and who are critical to maintaining the business operations during the pendency of the chapter 11 cases. The Company believes that there is significant risk that the contemplated NICP Participants will seek alternative employment options if the NICP is not approved, which would hinder the desired success of the Company’s restructuring. |
| Non-Insider Program Pool and Participants: | The NICP will provide cash retention payments to approximately 383 non-insider employees in the aggregate amount of approximately \$23.567 million. Awards are structured across multiple tiers to reflect role importance and responsibility. |
| Individual Awards: | Bonuses will be tied to a percentage of base salary, as follows: <ul style="list-style-type: none"> • Tier 1: 100% of base salary • Tier 2: 65% of base salary • Tier 3: 40% of base salary • Tier 4: 30% of base salary • Tier 5: 25% of base salary • Tier 6: 15% of base salary |
| Payout Timing: | Payout timing varies by tier, as follows: <ul style="list-style-type: none"> • Tiers 1, 2 and 3 NICP Participants: <ul style="list-style-type: none"> ○ 25% payable promptly after signing a NICP retention agreement with the Global Debtors, subject to clawback upon a termination for “cause” or resignation for any reason prior to emergence from chapter 11 ○ 75% payable within 45 days of emergence from chapter 11, subject to continued employment through the payment date • Tiers 4, 5 and 6 NICP Participants: <ul style="list-style-type: none"> ○ 100% payable within 45 days of emergence from chapter 11, subject to continued employment through the payment date |
| Termination of Employment and Clawback: | If a NICP Participant’s employment is terminated without “cause” prior to the payment date, the NICP Participant retains the right to receive their retention bonus upon the Company’s emergence from chapter 11 as though no termination had occurred, subject to the execution of a customary release of claims (including for all unpaid prior bonus and incentive awards) and continued compliance with any applicable restrictive covenants that the NICP Participant may be subject to in favor of the Company. Following final payment upon emergence from chapter 11, for NICP Participants in tiers 1 through 3, 50% of the award remains subject to clawback if, on or prior |

| Non-Insider Compensation Program | |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | to January 31, 2027, the applicable NICIP Participant’s employment is terminated by the Company for “cause,” the NICIP Participant resigns for any reason or the participant breaches any applicable restrictive covenants that the NICIP Participant may be subject to in favor of the Company. Further, for NICIP Participants in tiers 1 through 3, to retain such award following a termination without “cause” prior to January 31, 2027, the NICIP Participant must execute a customary release of claims (including for all unpaid prior bonus and incentive awards). |
| Reallocation: | If an award is forfeited prior to payment, the Company may reallocate such award solely among one or more existing participants or an already existing employee that the Global Debtors deem to be eligible; <i>provided, however</i> , that any reallocation in excess of an agreed threshold amount between the Company and the Required SGUS DIP Lenders shall be subject to the Company delivering a side agreement to, and obtaining the consent of, the Required SGUS DIP Lenders (which may be confirmed by email from counsel to the Required SGUS DIP Lenders to counsel to the Global Debtors). |
| Incentive Plan: | <p>In addition to the Non-Insider Compensation Plan, the Company may allocate up to \$6.5 million to be used for an incentive bonus plan to be adopted by the Company (the “<u>Incentive Plan</u>”) related to performance during the second half of the 2026 fiscal year; <i>provided, however</i>, that the \$6.5 million amount and the metrics and thresholds of the Incentive Plan shall be subject to the consent of the New Board of Managers or Directors (or a committee thereof), as applicable. The Incentive Plan, if any, shall be for the benefit of eligible employees to be identified by the Company at the time of adoption. The amounts payable, if any, to such eligible employees shall be made by the Company within 45 days after the completion of the Company’s 2026 fiscal year, which ends on January 31, 2027.</p> <p>The Incentive Plan, if any, is not intended to limit any additional compensation, including any additional bonuses, for calendar year 2026 that the new Boards of Managers or Directors, as applicable, of the Company may deem appropriate to grant or otherwise award in their respective business judgment.</p> |

EXHIBIT 1**KEIP Participants and KEIP Awards¹**

| Title | Base Salary | KEIP Award at Target | Incentive Target (Percentage of Base Salary) |
|--------------------------------------------------|--------------------|-----------------------------|-----------------------------------------------------|
| Chief Executive Officer | \$1,500,000 | \$1,500,000 | 100% |
| Chief Financial Officer | \$825,000 | \$500,000 | 61% |
| Chief of Global Brand Partnerships, Saks Global | \$825,000 | \$500,000 | 61% |
| President, Chief Commercial Officer, Saks Global | \$825,000 | \$500,000 | 61% |
| President, Bergdorf Goodman | \$900,000 | \$400,000 | 44% |
| Chief Technology Officer | \$620,000 | \$750,000 | 121% |
| Chief Legal Officer | \$525,000 | \$500,000 | 95% |
| Chief People Officer | \$550,000 | \$550,000 | 100% |
| TOTAL: | \$6,570,000 | \$5,200,000 | |

¹ The KEIP Award period is 11 months when factoring in the clawback.

EXHIBIT 2**KEIP Performance Metrics**

The Performance Metrics for the KEIP will be achieved based on the achievement of the following goals.

1. *Bankruptcy Milestone (33.34% weighting)*. The Company consummates a chapter 11 plan pursuant to section 1129 of the Bankruptcy Code (a "Chapter 11 Plan") by June 22, 2026, which is the date that is 160 days following the filing date (the "Target Date").

| <u>Performance Target</u> | <u>Achievement Percentage Applied to Metric</u> |
|----------------------------------------------------------------------------------------------|--------------------------------------------------------|
| Chapter 11 Plan is approved 60 calendar days early (i.e., April 23, 2026) | 200% |
| Chapter 11 Plan is approved 30 calendar days early (i.e., May 23, 2026) | 150% |
| Chapter 11 Plan is approved by Target Date | 100% |
| Chapter 11 Cases extend 30 calendar days after the Target Date (i.e., July 22, 2026) | 75% |
| Chapter 11 Cases extend 60 calendar days after the Target Date (i.e., August 21, 2026) | 50% |
| Chapter 11 Cases extend 90 calendar days after the Target Date (i.e., September 22, 2026) | 25% |
| Chapter 11 Cases extend more than 90 calendar days after the Target Date | 0% |

2. *Cash Receipts (33.33% weighting)*. Achievement of cash receipts relative to the Company's applicable budgets for each of the three interim performance periods within the Performance Period and a maximum cumulative budget for the entire Performance Period. There will be linear interpolation for achievement between the defined levels set forth below.

| <u>Performance Target</u> | <u>Achievement Percentage Applied to Metric</u> |
|----------------------------------------------|--------------------------------------------------------|
| Cash receipts exceed budget by 30% | 200% |
| Cash receipts exceed budget by 15% | 150% |
| Cash receipts are at budget | 100% |
| Cash receipts are under budget by 10% | 75% |
| Cash receipts are under budget by 20% | 50% |
| Cash receipts are under budget more than 20% | 0% |

3. *Cash Disbursements (33.33% weighting)*. Achievement of cash disbursements (excluding merchandise and professional fees) relative to established budgets for each of the three interim performance periods within the Performance Period and a maximum cumulative budget for the entire Performance Period. There will be linear interpolation for achievement between the defined levels set forth below.

| <u>Performance Target</u> | <u>Achievement Percentage Applied to Metric</u> |
|------------------------------------------------------------|-------------------------------------------------|
| Cash disbursements are equal to or less than 70% of budget | 200% |
| Cash disbursements are equal to 85% of budget | 150% |
| Cash disbursements are at budget | 100% |
| Cash disbursements are equal to 110% of budget | 75% |
| Cash disbursements are equal to 120% of budget | 50% |
| Cash disbursements are greater than 120% of budget | 0% |