

SFA ASSOCIATE DISCOUNT POLICY (U.S.-BASED ASSOCIATES)

OVERVIEW

The Saks & Company LLC d/b/a SFA (“SFA” or the “Company”) Associate Discount and Shopping Policy provides Associates the opportunity to purchase merchandise for their own use, for the use of a spouse and dependent children, and for bona fide gifts. One of the greatest benefits of working at SFA is the privilege of shopping with a discount at SFA and Saks OFF 5th (“OFF 5th”). The Associate Discount affords Associates the opportunity to enjoy much of SFA’s and OFF 5th’s fine merchandise and services at discounted prices, and helps Associates to build their wardrobes.

SFA Associates are generally granted a **40 percent** discount on most full-priced merchandise (including fine and fashion jewelry and made-to-measure clothing), a **30 percent** discount on full-priced watches and select limited jewelry, a **30 percent** discount granted on full-priced and markdown women’s and men’s shoes and women’s handbags and a **25 percent** discount on most markdown merchandise at SFA stores (including saks.com and store catalogs), other than women’s and men’s shoes, women’s handbags, beauty and home. Associates receive a **20 percent** discount on full-priced and markdown beauty/related accessories, children’s, home and on alterations and repair services in all SFA locations. Discounts available in our Leased Departments may vary. Eligible Associates also enjoy a **25 percent** discount at all OFF 5TH stores (including saksoff5th.com) on full-priced and markdown merchandise as well as a **20 percent** discount on Estee Lauder Licensed Cosmetics and Fragrance Products purchased at OFF 5TH Stores. Please note that US Associates are not permitted to shop in OFF 5TH locations in Canada, as the discount has been separated by portfolio companies across Canada.

All SFA and OFF 5TH Associate Discount transactions (including Special Vendor Discounts Events) will be handled at point of sale (“POS”), eliminating the need for manual input of the discount by a Sales Associate for an Associate Charge account transaction. The Associate Charge account number is recognized via the POS process, and the appropriate Associate Discount is automatically applied at the time of the transaction; the discount will be reflected on the receipt.

In order for the discount to apply, Associates must wait 72 hours after their Associate Charge account has been opened to make a purchase.

The discount Associates are entitled to vary based on employment status (full-time, part-time, contingent and so forth). It may also vary based on the department in which items are purchased.

***For online shopping, Associates may not combine Shoprunner for free shipping or any other affiliate shopping site which provides a rebate (e.g., Ebates) when using any Associate Discount privilege.*

SFA QUANTITY LIMITATIONS

Associates may not purchase more than **two (2)** of the same **item/style within a brand**, regardless of size or color, during a six (6) month timeframe, whether on single or multiple transactions, both in store and online. As an example, an Associate may purchase one women's black puffer coat and one women's red puffer coat in the same brand/style, but an Associate may not purchase two (2) women's black puffer coats and one women's red puffer coat in the same brand/style within a six (6) month timeframe. Items that are returned will not be counted towards these quantity limitations.

Exceptions to this Policy are by merchandise category, not brand, and these exceptions apply to Beauty, Women's Intimates, Men's Furnishings and Home. For Beauty, Women's Intimates and Men's Furnishings and Home, the limit is **six (6)** items purchased of any single item/style during a six (6) month timeframe, whether on single or multiple transactions, both in store and online. Specifically for china, flatware and glassware categories within Home, the limit is **twelve (12)** items purchased of any single item/style during a six (6) month timeframe, whether on single or multiple transactions, both in store and online.

Purchases of quantities in excess of these limitations are a violation of this Associate Discount Policy regardless of whether this is a purchase for personal use or a bona fide gift. If you have any questions, please speak with your People Business Partner.

GENERAL INFORMATION

In order to utilize the discount, Associates must be 18 years of age or over, and obtain a SFA Associate Charge account and use it when shopping. This account enables Associates to enjoy shopping privileges in stores, as well as online shopping, telephone charge sends and our Merchandise Locator services. Every Associate charge account is subject to a credit referral limit as determined through the Credit Division's normal procedures for evaluating an individual's credit worthiness. If you already have a personal Associate Charge account, you must apply for a house account card to utilize the associate discount.

An Associate charge account is a privilege that must not be abused. Associates must keep their charge account in good standing by making requested payments in a timely manner. Failure to maintain an account in good standing is a violation of Company Policy and could result in employment termination.

An Associate's charge account, and thus their discount, can only be used to charge items for personal use by the Associate, the Associate's spouse, and the Associate's dependents (as defined below), or for bona fide gifts.

ELIGIBILITY FOR DISCOUNT PRIVILEGE

Exempt and non-exempt SFA Associates, their spouses and dependent children, Governor's Club and 915 Club members, and specified non-SFA Associates are entitled to the Associate Discount privileges, subject to the conditions and shopping procedures outlined in this

Policy. In order to use the Associate Discount, an Associate Charge Account must be issued to the Associate by the Credit Division, and must be maintained by the Associate in overall good standing.

EXEMPT AND NON-EXEMPT ASSOCIATES

Exempt Associates and Non-Exempt full and part time Associates who are 18 years and older are entitled to the discount on charge purchases of merchandise and services in any SFA or OFF 5TH store, and online through saks.com and saksoff5th.com. Exempt and Non-Exempt full and part time Associates may apply for Associate charge account privileges on the day they begin work subject to the restrictions and procedures outlined. (Approximate processing time for opening a new account is 72 hours.)

CONTINGENT ASSOCIATES

Contingent Associates who are 18 years and older are entitled to the discount on charge purchases of merchandise and services in any SFA store. Contingent Associates may shop with the discount in the week in which they work only.

SPOUSES AND DEPENDENT CHILDREN

Spouses and dependent children* of SFA Associates are entitled to shop with the discount. An authorized spouse and dependent child will receive his/her own SFA charge card with his/her individual name. Requests to add a spouse and/or dependent child as an authorized user on a charge account will require proof of eligibility.

**Dependent children are defined as children aged 24 or younger who are financially dependent upon and have the same permanent address as their parents. Other members of the family such as parents, siblings, grandparents and older children are not entitled to the discount.*

GOVERNOR'S CLUB, 915 CLUB ASSOCIATES AND "RULE OF 70"

SFA Associates who completed twenty consecutive years of service may be eligible to retain discount privileges and an Associate charge account upon separation or retirement. SFA Associates who complete a minimum of ten (10) consecutive years of service (FT / PT) and whose age plus years of service equals 70 or more upon employment separation ("Rule of 70") may also be eligible to retain discount privileges and an Associate charge account upon separation or retirement. At the time of separation or retirement, the Associate must be in good standing as determined by management. SFA retirees or separated Associate Discount card holders (not active on payroll) are NOT eligible for Associate Special Vendor Discount Events.

Under this section, the Associate Discount privilege is 30 percent on full-priced merchandise, 25 percent on markdown merchandise and 20 percent on cosmetics and fragrance products for those who separated or retired prior to October 1, 2014. For those who separated or retired from SFA after October 1, 2014, the Associate Discount privilege is 40 percent on full-priced merchandise, 25 percent on markdown merchandise and 20 percent on cosmetics and fragrance products.

Associates must be in good standing (i.e. not in any stage of the progressive disciplinary

process) to qualify for the lifetime discount.

Associates that were inducted into the 915 / Governor's Club or are determined to qualify per the "Rule of 70" prior to March 1, 2021, are eligible to retain the Cross Banner Discount at Hudson's Bay Stores in Canada (via an in-store coupon) .

If at any time SFA determines that a former Associate (or his or her dependents) who has retained his or her discount privileges pursuant to this section is in violation of the Discount Policy, SFA reserves the right to immediately terminate any discount privileges.

SEASONAL / TEMPORARY ASSOCIATES

Seasonal / Temporary SFA Associates who are 18 years and older are eligible for the discount on charge purchases of merchandise and services in any SFA or OFF 5TH store (including saks.com, saksoff5th.com and through store catalog sales). Seasonal / Temporary Associates may apply for an Associate charge account privileges on the day they begin work subject to the restrictions and procedures outlined.

VENDOR PAID ASSOCIATES & LEASED DEPARTMENT ASSOCIATES

Vendor-paid representatives and Leased Department Associates are eligible for the SFA Associate Discount **ONLY** if they meet the following criteria:

1. Vendor rep or Leased Department Associate who works exclusively for SFA (does not also work for a competitor)
2. Vendor rep must work at least an average of 30 hours per week
3. Vendor rep may be entitled to additional discounts as may be offered during Special Vendor Discount Events
4. Leased Department Associate must work at least an average of 20 hours per week
5. Leased Department Associates may be eligible for a discount at the discretion of SFA
6. Leased Department Associate's vendor must offer SFA Associates a discount.

SERVICE PROVIDERS

Company service providers, such as Wrap & Send and OneSource are NOT eligible for the SFA Associate Discount.

OTHER NON-SFA PERSONS

Any other persons not affiliated with SFA in any of the designated categories above or otherwise must have prior approval by the CEO in order to obtain a VIP Discount status. Discounts for VIPs may differ from the schedule below.

ASSOCIATE DISCOUNT POLICY

AMOUNT OF DISCOUNT FOR ACTIVE ASSOCIATES

Generally, the below discount is offered to Associates on SFA merchandise:

- A **40 percent** discount granted on full-priced merchandise, including children's, fine and fashion jewelry and made-to-measure clothing;
- A **30 percent** discount granted on full-priced watches and select limited jewelry;
- A **30 percent** discount granted on full-priced and markdown women's and men's shoes and women's handbags;
- A **25 percent** discount granted on markdown merchandise, other than women's and men's shoes, women's handbags, beauty and home;
- A **20 percent** discount granted on full-priced and markdown beauty/related accessories and home and on alterations and repair services in all SFA locations; and Leased department discounts may vary.

Generally, the below discount is offered to Associates on OFF 5TH merchandise:

- A **25 percent** discount will be granted at all OFF 5TH stores (including saksoff5th.com).
- A **20 percent** discount will be granted on all Estee Lauder Cosmetics and Fragrance Products purchased at those OFF 5TH Stores that carry the product. Leased Department discounts may vary.

*Rimowa luggage and tech accessories are excluded from the discount program.

NEGOTIABLE MERCHANDISE

Certain merchandise pricing (such as Fine Jewelry) CANNOT be negotiated when utilizing the Associate Discount.

SPECIAL VENDOR DISCOUNT EVENTS

Several times during the year, active SFA Associates are given the opportunity to take advantage of Special Vendor Discounts. These Special Vendor Discount Events will be announced in advance for a specified time period. Please refer to each event's communications for details and specifics about exclusions.

SPECIAL PROMOTIONAL CUSTOMER EVENTS

Associates who are eligible for the Associate Discount may not be eligible for special promotional customer events or other discounts offered to customers such as a first day discount on purchases.

ADJUSTMENT TO PRIOR PURCHASES

SFA provides a generous Associate discount to Associates. Accordingly, Associates are not entitled to adjustments on prior purchases at any time. In addition, Associates are not permitted to return and then rebuy the same merchandise if the merchandise has been further reduced.

GIFT CARDS (EGCS) & MERCHANDISE EXCHANGE CREDITS (EMCS)

Associates, their spouses and dependent children are permitted to purchase gift certificates on an Associate charge account at full value; no discount will be applied. Gift Cards will NOT be accepted as payment on an Associate's charge account, but may be "cashed out" and the cash applied as a payment to the Associate's charge account at the General Office in his/her store if the Associate obtains prior approval from the General Manager.

Associates, their spouses and dependent children are not permitted to use Gift Cards as a means of partial payment in any transactions where the Associate Discount applies

SEPARATION OF EMPLOYMENT

Credit cards will remain active for any Associate or non-Associate who is eligible for the Associate Discount who leaves the Company voluntarily or involuntarily however, they will no longer be eligible for any discount effective immediately upon separation (last day actually worked). The Associate Charge Accounts with a \$100 limit will be closed upon separation. There are a few exceptions for former Associates to continue the discount such as for Governor's Club and 915 Club and "Rule of 70" employment separations; see above for more information.

EXEMPT MERCHANDISE

SFA reserves the right to exempt merchandise and services from the Associates' Discount privilege at any time.

ABUSE OF THE DISCOUNT PRIVILEGE

A SFA Associate charge account is a privilege that must not be abused. Examples of violations of the Associate Discount Policy include, but are not limited to, the following:

1. Purchasing merchandise for an unauthorized recipient (i.e., someone other than the Associate, his/her spouse or dependent, or bona fide gift recipient), and being reimbursed for it.
2. Permitting an unauthorized/ineligible individual to use one's house account to obtain the Associate Discount on their SFA account.
3. Failure to make regular required payment to one's house account.
4. Overriding the Associate Discount rate or the selling price applied at POS for an unauthorized amount or to an unauthorized recipient.
5. Charging a purchase and receiving a discount on an account other than by the authorized individual.
6. Using the Associate Discount and reselling the purchased item(s) for the purpose of making a profit from the discount is strictly prohibited, including resale of said items at flea markets, on eBay™, to another person, business or through any other outlet.
7. Personally processing or ringing any transactions for oneself or anyone entitled to one's Associate Discount.
8. Manipulating balance availability by passing bad checks or making fraudulent payments.

9. Returning items purchased during a double-discount or special discount event without a receipt for a credit of more than the amount paid for the merchandise.
10. Facilitating or obtaining a price adjustment (or a return followed by a re-purchase of the same merchandise at a lower price).
11. Purchasing merchandise from a competitor which SFA or OFF 5th does not carry with the intent to return the merchandise to SFA or OFF 5th and re-purchase it using the Associate Discount.
12. Any purchase where the Associate is being compensated or otherwise reimbursed in money, coupons or services, including, but not limited to, participation in online or other Rebate programs.
13. Any other conduct that is designed to manipulate or evade the Associate Discount policy as determined by management in its sole discretion.

ASSOCIATE DISCOUNT SHOPPING PROCEDURES

SHOPPING SCHEDULES

Associate shopping hours are limited to days off, before and after work hours, and lunches/breaks during work hours. Shopping hours for Associates' spouses and dependents are not (generally) restricted. The Company, however, reserves the right to limit Associates' (and their spouses' and dependents') shopping hours due to business demands. Contingents and Seasonal/Temporary Associates may shop in the week they work.

**Shopping in Canadian Stores: If you plan on visiting an SFA Canadian store and utilizing your Associate Discount, please partner with your AGMO at least one (1) week in advance of your visit. Your AGMO will communicate with the store location to verify your employment and determine a point of contact (POC) to assist with your shopping needs. Please note that the discount is provided via a barcode and your SFA Associate Charge card cannot be used.*

IDENTIFICATION

The SFA Associate Charge card should be used as identification for the discount for purchases. The spouse of an Associate must have a charge plate with his or her own signature to charge purchases for discount. An Associate/spouse who forgets his/her charge card may charge a purchase through normal verification procedures on the selling floor at the point of sale.

ASSOCIATES / SPOUSES / DEPENDENT CHILDREN ARE INTERNAL CUSTOMERS

Associates and their spouses and dependents are our internal customers and should be treated with the same courtesy and respect that is shown to any other customer.

1. Associates will be served in regular sequence along with other customers, and their transactions will be completed in the normal manner.
2. Associates may not process transactions for themselves or anyone (spouse or dependent) entitled to his/her discount privilege.

CREDIT FOR RETURNED MERCHANDISE

Associates are required to have proof of purchase for all returns. If an Associate does not have a receipt (i.e., for a gift the Associate received), proof of purchase must be obtained from the General office, Asset Protection or a Selling Manager before the return can be processed.

1. When an Associate, spouse or dependent returns merchandise for credit, regardless of whether such merchandise was originally purchased at discount or at full-price (as in the case of a gift from a non-associate), the discount will be deducted on the credit.
2. When a non-Associate (the Associate's gift recipient) returns merchandise for credit, the discount will be deducted from the credit. The original sales receipt should accompany all returned merchandise.
3. Merchandise should be returned to the department where it was originally purchased.
4. Merchandise to be returned will be kept at the "Associate Package" area during work hours. During lunch/breaks or after work hours, the package can be picked up to be returned.

ASSOCIATE HOLD POLICY

It is Company Policy that no merchandise may be put on hold for Associates. As an Associate benefit, SFA and OFF 5th provide a generous discount program that may include "Special Vendor Discount Events" for Associates. Merchandise cannot be put on hold at any time for an Associate. Associates always have the option to purchase items immediately under the standard discount rates.

EXIT / ENTRANCE PROCEDURE

SFA

1. When an Associate, spouse or dependent is returning merchandise for credit, with or without a receipt, he/she must enter the store through the designated Associate entrance and obtain a Building Pass.
2. A Building Pass must also be obtained when an Associate, spouse or dependent child enters the store with his/her own merchandise including merchandise to be altered. Prior to completing an Associate return transaction, Associates must ask to see (and retain) the required Building Pass and process it accordingly.
3. When an Associate has made a purchase in any store, he/she must exit through the designated Associate entrance.
4. All Associate packages are subject to inspection by Asset Protection and Management.

OFF 5TH

1. When entering or exiting an OFF 5TH store, visiting Associates should use the customer entrance.
2. Before leaving the store, all Associates' purchases must be inspected by a member of Management or Asset Protection.

WHEN IN DOUBT ABOUT THE DISCOUNT APPLICATION

IMPORTANT: If an Associate has any doubt that an Associate purchase or return he/she is ringing is in full compliance with our established Discount and Shopping Privilege Policy, that Associate must contact a member of Store Management or Asset Protection.

CORRECTIVE ACTION FOR VIOLATIONS OF THE ASSOCIATE DISCOUNT POLICY

Should the Company determine that an Associate has abused the discount privilege; the Associate will be terminated from employment. Should the Company be unable to make a determination as to whether an Associate has abused the discount privilege, the Company may discipline the Associate for other misconduct in connection with this Policy (up to and including employment termination) and/or may suspend or revoke the Associate Discount privilege.

**Under no circumstances is an Associate allowed to benefit from the resale of any merchandise purchased at a discount at SFA or OFF 5th.*

While it may not always be obvious when a person is a reseller, in monitoring the use of the Associate Discount, reasonable good judgment and sound business practices will be applied in identifying if the pattern of purchases being made by any Associate is reasonably for that Associate's personal use and/or are bona fide gifts.

If it is determined that the pattern of purchasing is NOT within the spirit of the Associate Discount Policy and is NOT reasonably for our Associate's personal use nor is it reasonably for bona fide gifts, the Associate may be questioned about the purchases made on the account and may be asked to provide financial information to support the purchases. Appropriate disciplinary action, up to and including charging the associate back for the discount abuse and termination of employment, may be taken.

Every Associate is responsible for complying with the policies that govern Associate Discount. If any Associate is terminated for cause (i.e. theft) from SFA, we reserve the right to revoke the privilege of the Lifetime Associate Discount that the Associate might otherwise qualify for. In addition, if any Associate becomes aware of a situation that they believe is not in compliance with this Policy, that Associate should freely partner with the People Team, a member of the store or facility management team or a member of Asset Protection so that the situation may be addressed. The Associate may also report to the SFA Alertline by calling: 844-975-2616

ACKNOWLEDGEMENT

I acknowledge that I have read, understood, and agree to the terms of the Associate Discount Privilege Policy and that I understand and agree that any violations of such terms will be considered a serious employment offense which will result in disciplinary action, up to and including termination of my employment for just cause and revocation of my Associate Discount privileges.