

2011 Non-Exempt Store Manager Compensation Plan

(Non-California Stores)

Last Revised: 02/01/2011

For definitions and generally-applied policies see the document titled RadioShack Compensation Plan General Information for Store Managers.

- **Effective Date:** This compensation plan is effective February 1, 2011.
- **Applicability:** This compensation plan applies to managers of RadioShack retail stores other than California with an annual sales volume less than \$750,000.
- **Overtime:** The Non-Exempt Store Manager is eligible to receive overtime. Overtime will be paid on all earnings in accordance with applicable State and Federal law. Overtime on the weekly base salary amount will be paid at one-half the calculated regular rate (obtained by dividing the total number of hours worked in the workweek into the weekly base salary amount for all hours worked over forty (40) in any workweek.
- **Base Salary:** The Non-Exempt Store Manager shall be paid a base salary for all hours worked each workweek on the regular weekly or bi-weekly pay cycle for the store where the Non-Exempt Store Manager is employed.
- **SPIFFs:** The Non-Exempt Store Manager will be eligible to receive SPIFFs for products and services personally sold in the wireless and Dish Network categories.
- **Bonus:** The Non-Exempt Store Manager may be eligible to receive a bonus based on the performance of the store to which the Store Manager is assigned. The bonus target is 20% of base salary and is earned as follows:
 - **Quarterly Bonus:** 50% of the bonus target will be allocated into 4 equal quarterly increments (Quarterly Target). The Quarterly Bonus may be earned based on actual sales performance compared to sales plan. The Quarterly Bonus will be subject to a sliding scale that provides for a minimum 25% payout for 95% actual sales performance compared to plan. The maximum payout is 150% for 120% or better actual sales performance compared to plan. To qualify, a Non-Exempt Store Manager must achieve 94.5% or more of the quarterly sales plan and 84.5% or more of the NPBB plan. Each quarter is considered an individual opportunity and each quarter's performance stands alone in determining the quarterly payout. The Quarterly Bonus will be prorated based upon the number of months the Non-Exempt Store Manager was the Store Manager of Record during the quarter.
 - **The Quarterly Bonus will be calculated as follows.** Determine the percentage of actual sales compared to plan achieved for the quarter, rounding up to the next whole percentage if 0.5 or higher. Locate the applicable % of Quarterly Bonus Earned in the column to the right. The % of Quarterly Bonus Earned is then multiplied by the Non-Exempt Store Manager's Quarterly Target to determine the amount of Quarterly Bonus. The Sliding Scale is included in the table to show how bonus increases based upon the percentage of actual sales performance to plan achieved.

% of Sales to Plan Achieved	% of Quarterly Bonus Earned (Sliding Scale)

<http://home.rsonline.tandy.com/RSODocuments/CompensationPlans/2011%20Store%20M...> 5/31/2011

95%	25.0%
96%	40.0%
97%	55.0%
98%	70.0%
99%	85.0%
100%	100.0%
101%	102.5%
102%	105.0%
103%	107.5%
104%	110.0%
105%	112.5%
106%	115.0%
107%	117.5%
108%	120.0%
109%	122.5%
110%	125.0%
111%	127.5%
112%	130.0%
113%	132.5%
114%	135.0%
115%	137.5%
116%	140.0%
117%	142.5%
118%	145.0%
119%	147.5%
120%	150.0%

➤ Example:

	Sales	NPBB
Planned Quarterly Results	\$80,000	\$12,800
Actual Quarterly Results	\$83,600	\$11,776
% of Plan Achieved	104.5%	92.0%
Actual NPBB at Least 84.5% of Plan?		Yes
Store Manager Base Pay		\$25,618.00
Bonus Target %		20%
Annual Bonus Target Opportunity		\$5,123.60
50% of Bonus Target Opportunity		\$2,561.80
Quarterly Bonus Target Opportunity (Quarterly Target)		\$640.45
% of Quarterly Bonus Earned		x 112.5%
Quarterly Bonus Earned		\$720.51

- **Year End Bonus:** The remaining 50% of the bonus target will be based on Net Profit Before Bonus (NPBB) performance for the Company's fiscal year (Year End Target). The Year End Bonus may be earned based on the Store's actual NPBB performance compared to plan. The Year End Bonus will be subject to a sliding scale that provides for a minimum 25% payout for 85% NPBB

performance compared to plan. The maximum payout is 150% for 115% or better NPBB performance compared to plan. To qualify, the Non-Exempt Store Manager must achieve 84.5% or more of the NPBB plan. The Year End Bonus will be prorated based on the number of months the Non-Exempt Store Manager was the Store Manager of Record, if the Non-Exempt Store Manager's tenure is less than a year.

- **Year End Bonus will be calculated as follows:** Determine the percentage of actual NPBB performance compared to plan achieved for the year, rounding up to the next whole percentage if 0.5 or higher. Locate the applicable % of Year End Bonus Earned in the column to the right. The % of Year End Bonus Earned is then multiplied by the Non-Exempt Store Manager's Year End Target to determine the amount of Year End Bonus. The Sliding Scale is included in the table to show how bonus increases based upon the percentage of actual NPBB to plan achieved.

% of NPBB to Plan Achieved	% of Year-end Bonus Earned (Sliding Scale)
85%	25.00%
86%	30.00%
87%	35.00%
88%	40.00%
89%	45.00%
90%	50.00%
91%	55.00%
92%	60.00%
93%	65.00%
94%	70.00%
95%	75.00%
96%	80.00%
97%	85.00%
98%	90.00%
99%	95.00%
100%	100.00%
101%	103.33%
102%	106.67%
103%	110.00%
104%	113.33%
105%	116.67%
106%	120.00%
107%	123.33%
108%	126.67%
109%	130.00%
110%	133.33%
111%	136.67%
112%	140.00%
113%	143.33%
114%	146.67%
115%	150.00%

➤ Example:

Planned Annual Results	\$160,000
Actual Annual Results	\$176,800
% of NPBB Plan Achieved	110.50%
Store Manager Base Pay	\$25,618.00
Bonus Target %	20%
Annual Bonus Target Opportunity	\$5,123.60
50% of Bonus Target Opportunity (Year End Target)	\$2,561.80
% of Year End Bonus Earned	x 136.67%
Year End Bonus Earned	\$3,501.21

- **Payroll Code, Status, etc:** The position of Non-Exempt Store Manager is authorized for full-line stores. The manager must be employed on a full-time basis. Temporary status is not authorized. Payroll Code "MN" or "LN" is assigned to this position and must be shown on the Personnel Change Record (PCR). The District Manager or a higher position must authorize Personnel Change Records to this position.



RadioShack