**SCHEDULE**

**FINANCIAL INCENTIVES**

This Schedule C supplements and constitutes part of the Agreement. Terms used with initial capital letters but not defined herein shall have the meaning ascribed to them in the Agreement. Subject to the terms and conditions set forth in this Schedule C, ABC agrees to provide to Company the financial incentives as described herein.

**I. DEFINITIONS**

(a) **Billed Charges** – for a billing cycle, is the amount equal to the total amount of new Charges incurred on the Select ABC Accounts during such billing cycle.

(b) **CHD Performance** – means, for all billing cycles that end within a Contract Year, (i) the cumulative of all Daily Ending Balances divided by (ii) the cumulative of all Billed Charges.

(c) **CHD Benchmark** – the benchmark from which the Payment Performance will be compared. For purposes of this Financial Appendix, the CHD Benchmark is 24.00.

(d) **Contract Year –** is the period beginning on the Financial Effective Date, and ending one day before the one-year anniversary of the Financial Effective Date, and each one year period thereafter that occurs during the Term.

(e) **Credit Losses –** is the amount of Charges for which payment becomes one hundred eighty (180) calendar days or more past due.

(f) **Daily Ending Balances** – means for Select ABC Accounts issued for any given day the sum of (i) the previous day’s Daily Ending Balance, (ii) any Billed Charges and (iii) all posted payments. For the sake of clarification, posted payments shall be counted as a negative number for purposes of the Daily Ending Balance calculation.

(g) **Financial Effective Date –** means April 1, 2018; provided, however, if the Effective Date of the Agreement is on or after June 1, 2018, is the 1st calendar day of the month corresponding to the Effective Date of the Agreement.

(h) **Financial Incentive Payment** – is the aggregate of all financial incentives owed to you at the completion of any Contract Year minus your Credit Losses, as calculated pursuant to this Financial Appendix.

(i) **Last Incentive Payment** - shall mean the final remaining Financial Incentive Payment owed under this Financial Appendix where no new Financial Appendix is executed 90 days following either the expiration or termination of the Financial Appendix.

(j) ***MR* Cost per Point (“MR Cost per Point”)** – is the overall cost that ABC incurs in providing the *MR*Program in the United States. ABC’s methodology to calculate MR Cost per Point is proprietary and is partly based on confidential information contained in individual agreements with our business partners in the *MR* Program.

(k) ***MR* Program Expenses (“MR Expenses”) –** is the amount obtained by: (i) multiplying (A) the total volume of Corporate Card spend incurred by your employees and/or the Company, including Affiliates and/or employees of Affiliates, if any, who are enrolled in the *MR*Program and (B) the MR Cost per Point.

(l) **Net Annual Charge Volume for Rest of the World (“ROW-NACV”)**. – means, with respect to any Contract Year, CC-GNACV minus CC-NACV, for such Contract Year.

(m) **Corporate Card Net Annual Charge Volume Globally (“CC-GNACV”)** – means, with respect to any Contract Year, the aggregate amount of all Implemented Regions’ Regional CC-NACVs for such Contract Year.

(n) **Implemented Regions** – means the geographic regions in which ABC has implemented the Select ABC Accounts pursuant to the Agreement, which as of the Effective Date of this Agreement, are comprised of the geographic regions identified below. The below list is provided for informational purposes only. You may request an updated list from ABC at any time during the Term.

United States and Canada

**JAPA Region**: Australia, Hong Kong, India, Japan, New Zealand, Singapore, Taiwan and Thailand

**LAC Region**: Argentina and Mexico

**EMEA Region**: Austria, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Netherlands, Norway, Poland, Russia, Spain, Sweden and United Kingdom.

(o) **Corporate Card Net Annual Charge Volume per Region (“Regional CC-NACV”) –** means, with respect to any Contract Year for each applicable Implemented Region, (i) the aggregate amount of Charges incurred (and invoiced on the applicable billing cycle dates occurring) during such Contract Year on such Implemented Region’s Select ABC Accounts minus (ii) delinquency assessments, fees, cash advances, unauthorized charges, and credits during such Contract Year on such Implemented Region’s Select ABC Accounts. The date of the closing of the last billing cycle during a Contract Year may not necessarily correspond to the last calendar date of such Contract Year.

(p) **Net Annual Charge Volume for Select ABC Accounts issued in the United States (“CC-NACV”) –** means, with respect to any Contract Year, (i) the aggregate amount of Charges incurred (and invoiced on the applicable billing cycle dates occurring) during such Contract Year on the Select ABC Accounts issued pursuant to the Agreement, minus (ii) delinquency assessments, fees, cash advances, Charges resulting from Unauthorized Use, and credits on such Select ABC Accounts for such Contract Year. The date of the closing of the last billing cycle during a Contract Year may not necessarily correspond to the last calendar date of such Contract Year.

(q) **Select ABC Accounts** - means all ABC Accounts issued to you in the United States other than the Global Dollar Card Account, Corporate Purchasing Card Account, v Payment Account or Buyer Initiated Payment transactions.

(r) **Term** – the term of this Financial Appendix shall commence on the Financial Effective Date, and shall end one day before the 3-year anniversary of the Financial Effective Date.

**II. CONTRACT YEAR INCENTIVES**

**A. Net Incentive Amount**

Each Contract Year, we will pay you the Net Incentive Amount which is calculated as follows:

Base Incentive Amount

+/- CHD Incentive Amount

- MR Expenses, if any

= Net Incentive Amount

**B. Base Incentive Amount**

1. Your Base Incentive Amount will be calculated by multiplying your CC-NACV by the base incentive rate basis points (**BIR**) as outlined in the table below:

|  |  |
| --- | --- |
| **CC-NACV**  **(USD MM=Millions)** | **BIR**  **(1 bp = .01%)** |
| 0 - $9.9MM | No Incentive |
| $10.0MM - $24.9MM | 50.0 bp |
| $25.0MM - $34.9MM | 75.0 bp |
| $35.0MM - $49.9MM | 95.0 bp |
| $50.0MM - $74.9MM | 110.0 bp |
| $75.0MM - $99.9MM | 120.0 bp |