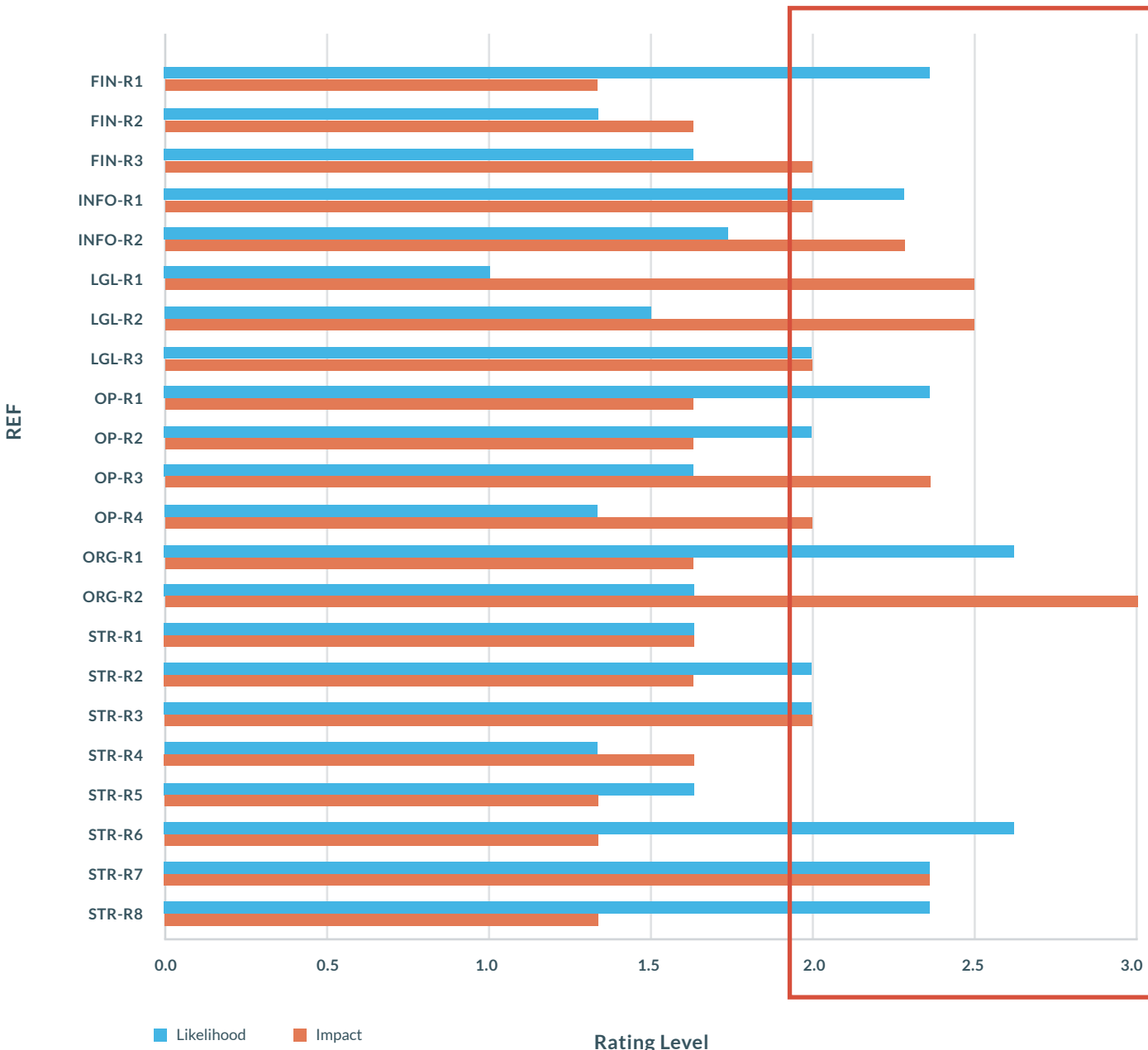


SOXHUB
ERM RISK SUMMARY REPORT Executive Update

ERM Risk Rating Summary

LIKELIHOOD AND IMPACT



Highest Risk Areas:
STR-R7 - Mobile Platform
INFO-RI - Systems
STR-R3 - Planning

Highest Risk Areas include those risks that have:
Likelihood = 2 or above
Impact = 2 or above

ERM Risk Rating Details by Risk Type

Risk Type	Risk	REF	Likelihood	Impact
FIN	R1 Economic Issues - discretionary spending, recession	FIN-R1	2.3	1.3
	R2 Financial - liquidity, Fx rates, debt level, rating agencies, IR, mkt volatility	FIN-R2	1.3	1.7
	R3 Impairments - goodwill, retail stores, asset security	FIN-R3	1.7	2.0
INFO	R1 Systems - functionality, security, disaster recovery, availability, SAP	INFO-R1	2.3	2.0
	R2 Cyber Security - cyber attack, breach of cardholder & sensitive data	INFO-R2	1.8	2.3
LGL	R1 Compliance - SOX, debt, regulatory, legal, tax, litigation, product liability	LGL-R1	1.0	2.5
	R2 Current Events - wars, terrorism, disaster	LGL-R2	1.5	2.5
	R3 Employee Lawsuits - Harassment, workplace injury, etc.	LGL-R3	2.0	2.0
OP	R1 Globalization - pace, change mgt, team, procedures	OP-R1	2.3	1.7
	R2 Supply Chain - costs, quality, on time delivery, availability, labor shortages	OP-R2	2.0	1.7
	R3 Business Development - M&A, licensing, JV's	OP-R3	1.7	2.3
	R4 Profit Improvement Plan - execution, communication	OP-R4	1.3	2.0
ORG	R1 Talent - recruiting, retention, engagement & morale	ORG-R1	2.7	1.7
	R2 Employees - unionization	ORG-R2	1.7	3.0
STR	R1 Competition - price, product innovation/placement, marketing, terms	STR-R1	1.7	1.7
	R2 Customer - concentration, channel viability, discounting, terms	STR-R2	2.0	1.7
	R3 Planning - demand, brand, category financial, merchandise, sales, mktg	STR-R3	2.0	2.0
	R4 Direct to Consumer - retail operations, ecommerce, web mgt	STR-R4	1.3	1.7
	R5 Marketing - brand repositioning/segmentation, global campaigns, social media	STR-R5	1.7	1.3
	R6 Fashion Trends - alignment with current & future trends	STR-R6	2.7	1.3
	R7 Mobile - mobile platform	STR-R7	2.3	2.3
	R8 Emerging Markets - market potential, market stability, historical fraud, corruption	STR-R8	2.3	1.3

ERM Risk Rating Details by Preparer

RISK RATING / LIKELIHOOD

Preparer	FIN			INFO		LGL			OP				ORG		STR							
	R1	R2	R3	R1	R2	R1	R2	R3	R1	R2	R3	R4	R1	R2	R1	R2	R3	R4	R5	R6	R7	R8
Bill Williams															1	2	1	1	2	3	3	2
Cecilio Lee									3	2	2	1										
Crystal Wilson				2	1				1	2	1	2	2	3								
Gabriel Miller	2	1	1																			
Irene Williams	2	1	2	3	2	1	2	2														
Joseph Jones				2	3				3	2	2	1										
Kurt Allen	3	2	2																			
Lisa Martin													3	1	1	2	2	1	2	2	3	3
Matt Garcia						1	1															
Mindy Brown				2	1								3	1	3	2	3	2	1	3	1	2
Nico Taylor																						
Preston Miller																						
Grand Total	2.3	1.3	1.7	2.3	1.8	1.0	1.5	2.0	2.3	2.0	1.7	1.3	2.7	1.7	1.7	2.0	2.0	1.3	1.7	2.7	2.3	2.3

RISK RATING / IMPACT

Preparer	FIN			INFO		LGL			OP				ORG		STR							
	R1	R2	R3	R1	R2	R1	R2	R3	R1	R2	R3	R4	R1	R2	R1	R2	R3	R4	R5	R6	R7	R8
Bill Williams															2	2	3	2	2	1	2	2
Cecilio Lee									2	2	2	2										
Crystal Wilson				2	2				2	2	3	2	2	3								
Gabriel Miller	1	2	2																			
Irene Williams	2	1	3	2	2	3	3	2														
Joseph Jones				3	3				1	1	2	2										
Kurt Allen	1	2	1																			
Lisa Martin													2	3	2	1	2	2	1	1	2	1
Matt Garcia						2	2															
Mindy Brown				1	2								1	3	1	2	1	1	1	2	3	1
Nico Taylor																						
Preston Miller																						
Grand Total	1.3	1.7	2.0	2.0	2.3	2.5	2.5	2.0	1.7	1.7	2.3	2.0	1.7	3.0	1.7	1.7	2.0	1.7	1.3	1.3	2.3	1.3