

Associate Stock Purchase Plan (ASPP) Basics for Bath & Body Works

For U.S. Associates



Morgan Stanley and Bath & Body Works have teamed up to help you make the most of your ASPP.



Bath&Body Works®

Your primary source for information related to your ASPP.

Morgan Stanley AT WORK

Your primary source for financial education, including how the ASPP works. Morgan Stanley support includes financial advice, educational seminars and more.

Shareworks

by Morgan Stanley

The intuitive, easy-to-use, online equity management platform which allows you to enroll, manage and transact on your ASPP.

This session is for informational purposes only.

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You should consult your tax and legal advisors to understand your personal situation. Your Company, Shareworks, nor Morgan Stanley cannot provide such advice to you.



Associate Stock Purchase Plan (ASPP)

What is an Associate Stock Purchase Plan (ASPP)?



An ASPP is a benefit that will allow associates to participate in Bath & Body Works, Inc. ownership.

Through payroll deductions, associates will be able to purchase company stock at a **15% discount**.

Participation is *optional*.

This information has been provided by Bath & Body Works, who is responsible for its accuracy.

Who Qualifies to Participate in the ASPP?



Associates who have been employed for six (6) consecutive months are eligible to participate in the ASPP by contributing up to **10%** of their eligible compensation to ASPP share purchases.

How an ASPP works

Your ASPP includes two Offering Periods per year, this is when contributions are collected to purchase shares.

Enrollment Window



Window for your first election or any changes in your election for the upcoming Offering Period must be made in your Shareworks account.

Offering Date



Start of the Offering Period.

Payroll contributions for ASPP share purchases begin to accumulate.

Purchase Date



End of the Offering Period and date shares are purchased.

At the end of the six-month Offering Period, your accumulated payroll contributions are used to purchase whole shares of company stock.

Any remaining contributions will be rolled into the next Offering Period.

ASPP Timeline Breakdown

Enrollment Window NOV 18 – DEC 2, 2022**	Offering Period JAN 1, 2023	Purchase Date JUN 30, 2023
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Offering Period (6 months)

After six months, your accumulated contributions are used to purchase whole shares.

****If you are a designated Insider of the Company, your Enrollment Window is Nov 18 – 22, 2022**

DATES SUBJECT TO CHANGE

This information has been provided by Bath & Body Works, who is responsible for its accuracy.

Enrollment Window TBD	Offering Period JUL 1, 2023	Purchase Date DEC 31, 2023
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Offering Period (6 months)

After six months, your accumulated contributions are used to purchase whole shares.

Payroll Deductions in Practice



Meet Sasha:

A hypothetical associate looking to participate in the ASPP.

Sasha decides to make a **10%** contribution to her ASPP.

Bi-weekly Gross Paycheck	\$2,000
401(k) Contribution (10%)	(\$200)
Taxable Compensation	\$1,800
Tax Withholdings (40%)	(\$720)
Paycheck before ASPP Contribution	\$1,080
ASPP Contribution (\$2,000 x 10%)	(\$200)
Net Pay (\$1,080 – \$200)	\$880

← ASPP Contribution Percentage is *calculated* off your eligible **Gross Paycheck** (before taxes, 401(k) contributions, etc.): in this case, 10% of \$2,000

← But ASPP monies are taken out of your **Net Paycheck** (after taxes, 401(k) contributions, etc.).

At a 10% contribution level, Sasha's net paycheck was reduced by ~18%.

Hypothetical Example – For Illustrative Purposes Only

Sasha's ASPP Share Purchases



Offering Period
Offering Date
FMV: \$26/share

Offering Period
Purchase Date
FMV: \$29/share



Total contributions for
Purchase Period = \$2,400

Purchase Price = \$24.65/share
(\$29 x 85%)

Shares purchased = 97 ⁽¹⁾
(\$2,400/\$24.65)

1. Because fractional shares cannot be purchased, Sasha's residual contribution amount will be carried over to the next Offering Period.

This information has been provided by Bath & Body Works, who is responsible for its accuracy.

ASPP Limits



IRS LIMITS

For each calendar year in which the purchase period is in effect, the **IRS limits your ASPP purchases to a maximum of \$25,000** per calendar year.¹ The limit is based on the FMV of the shares on the offering date (before the 15% discount).

1. The \$25,000 may be increased in certain circumstances in which the purchase period crosses calendar years, and the full limit is not used in the prior calendar year.

SHARE PURCHASE LIMITS

The maximum number of shares of common stock that you can purchase on any single purchase date is **1,000 shares**.

This information has been provided by Bath & Body Works, who is responsible for its accuracy.

Enrollment Process



1

Log in to your Shareworks account to **elect or adjust your contribution percentage** for payroll deductions.



2

You can elect to **contribute 1–10%** of your eligible compensation.



3

Unless changed by you, **enrollment will roll over** to each offering period. New hires or currently unenrolled associates will be eligible to enroll, during an enrollment window, prior to any new purchase periods.

Shares Received From ASPP Purchases



Shares acquired through your ASPP are similar to shares purchased on the open market.

After purchase, the shares are fully owned by you.

When you are ready to sell, you may sell them—similar to any other share of stock.

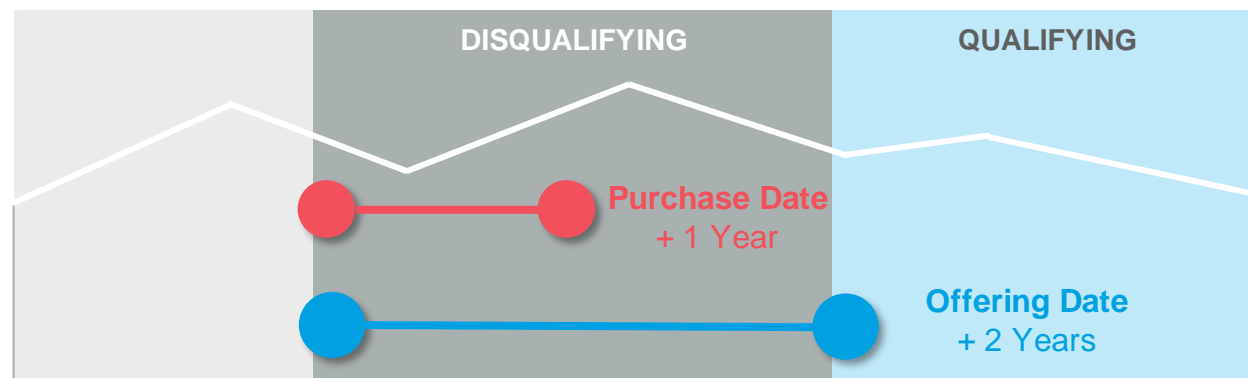
Keep in mind, you must comply with your company's blackout and insider trading policies, if applicable.

ASPP Tax Implications

Sell the shares more than two years after
the **Offering Date**
(the start of the offering period)

and

Sell the shares more than one year
after the **Purchase Date**



For illustrative purposes only and does not represent actual results or suggested courses of action.
All stocks are subject to market fluctuations.

If the sale does not meet either holding
period requirement, the sale is
considered a **disqualifying disposition**.

If the sale meets both holding period
requirements, the sale is considered
a **qualifying disposition**.

Taxes at Sale: Long-Term vs. Short-Term Capital Gains

Capital Gain



FMV at Sale



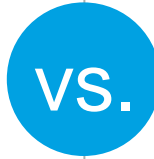
Basis in the Shares



SHORT-TERM CAPITAL GAINS TAX

Applied to shares held for
one year or less

Follow federal ordinary
income tax rates
(10%-37%)



LONG-TERM CAPITAL GAINS TAX

Applied to shares held for
more than one year

Three tax brackets:
0%, 15%, 20%
(depends on taxable income
and tax filing status)

Note: The “clock” on capital gains timing starts when the shares are purchased and delivered into your account.

What Happens if I Stop Working for the Company after Previous Share Purchases?



- You retain the shares you have already purchased (found and managed in your Shareworks account).
- Any contributions for shares not yet purchased will be refunded to you via payroll as soon as administratively possible.

This information has been provided by Bath & Body Works, who is responsible for its accuracy.

You should always consult your own tax advisor concerning how holding periods, capital gains and losses, and your personal circumstances may affect your taxes, and before taking any action that may have tax consequences.

Your actual taxes paid will vary depending upon your personal circumstances.

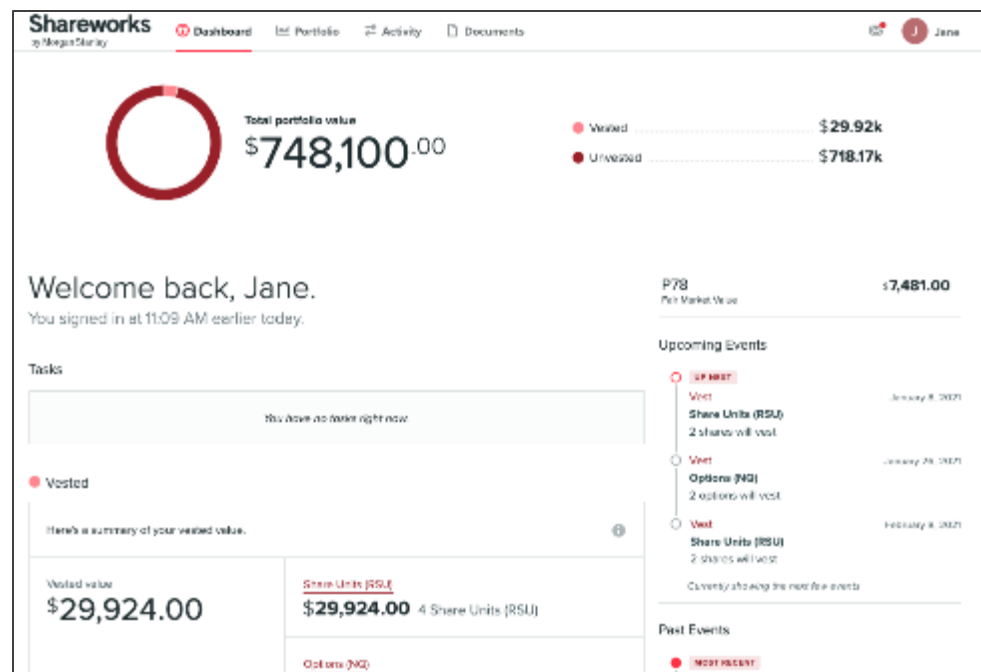
The tax information shown is provided for informational purposes only and pertains to federal rates. There is no guarantee regarding the accuracy or completeness of the information, and it may be subject to change.

Shareworks Navigation

Welcome to Shareworks

Welcome!

When you log into Shareworks, typically you will see your *Dashboard*.



From your Dashboard, you can:

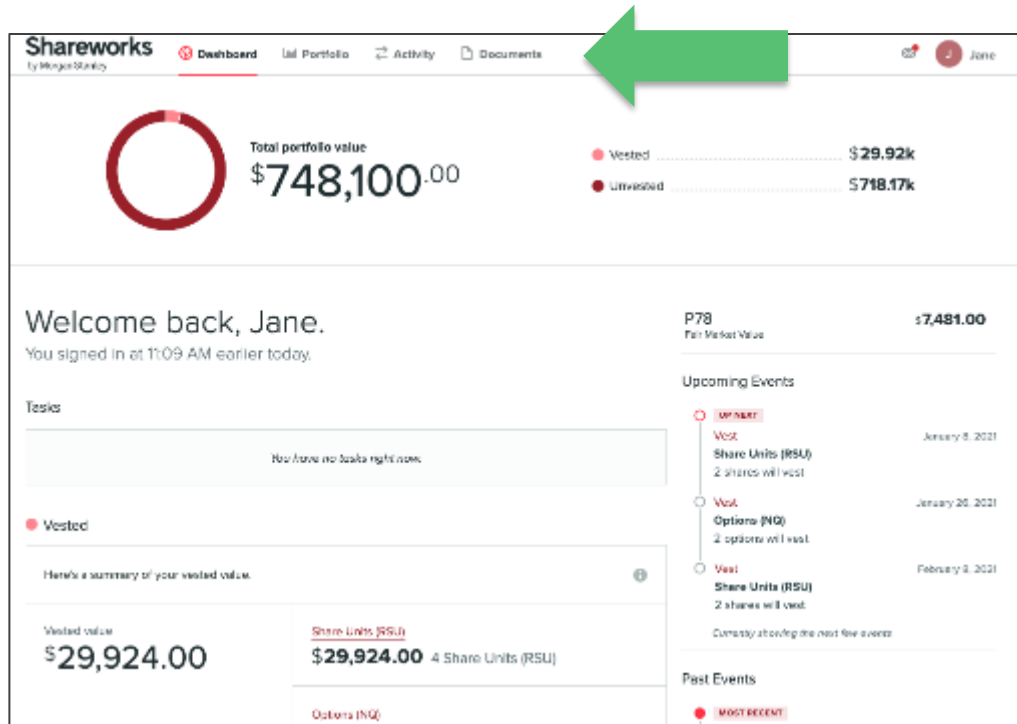
- See your holdings
- Access your open tasks

You can also navigate to other tabs including the **Portfolio** tab, the **Activity** tab, the **Documents** tab, or the **Profile** dropdown.

Navigating the Platform

Getting Around

The *Toolbar* at the top of your *Dashboard* helps you navigate.



Portfolio Tab

Provides detailed information about your plan.

Activity Tab

Shows any past events that have occurred in your plan. Also lets you access your statements.

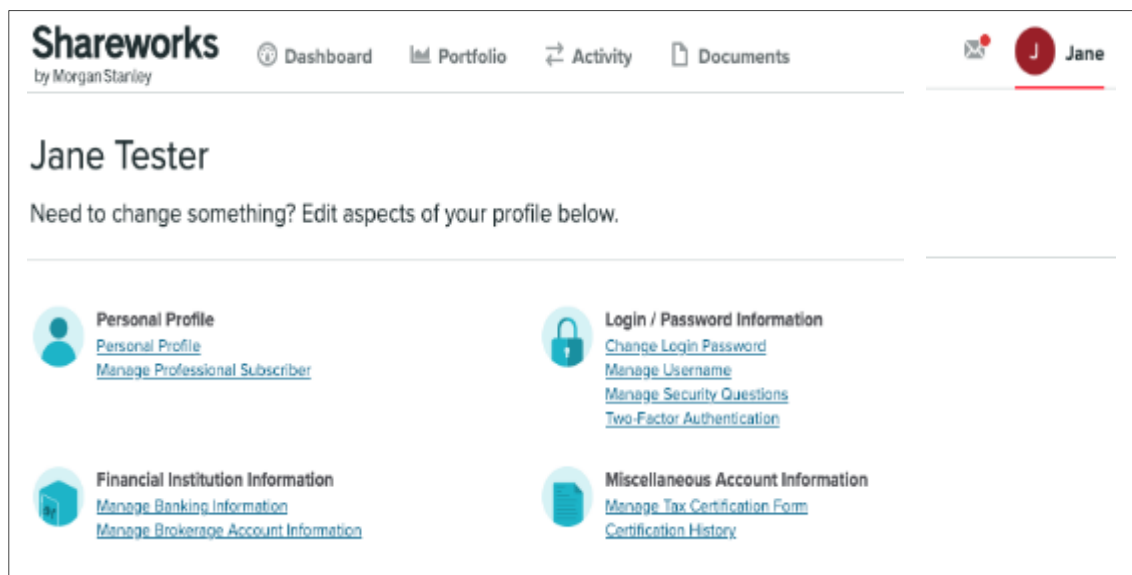
Documents Tab

Contains account statements, plan documents, tax documents and any reference materials that your company may post.

Managing Your Information

Updating Your Profile

The *Profile* dropdown is in the upper right-hand corner of Shareworks.



Shareworks by Morgan Stanley

Dashboard Portfolio Activity Documents

Jane

Jane Tester

Need to change something? Edit aspects of your profile below.

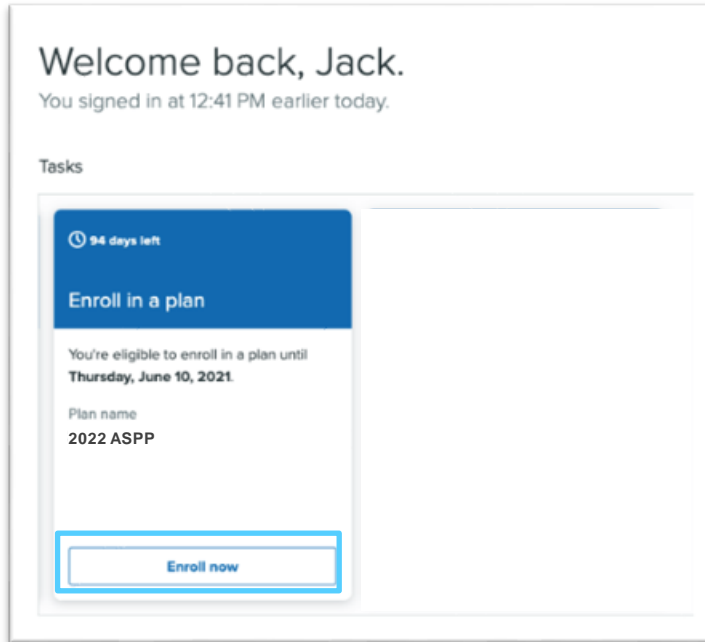
- Personal Profile**
 - [Personal Profile](#)
 - [Manage Professional Subscriber](#)
- Login / Password Information**
 - [Change Login Password](#)
 - [Manage Username](#)
 - [Manage Security Questions](#)
 - [Two-Factor Authentication](#)
- Financial Institution Information**
 - [Manage Banking Information](#)
 - [Manage Brokerage Account Information](#)
- Miscellaneous Account Information**
 - [Manage Tax Certification Form](#)
 - [Certification History](#)

It is important to keep your profile information current.

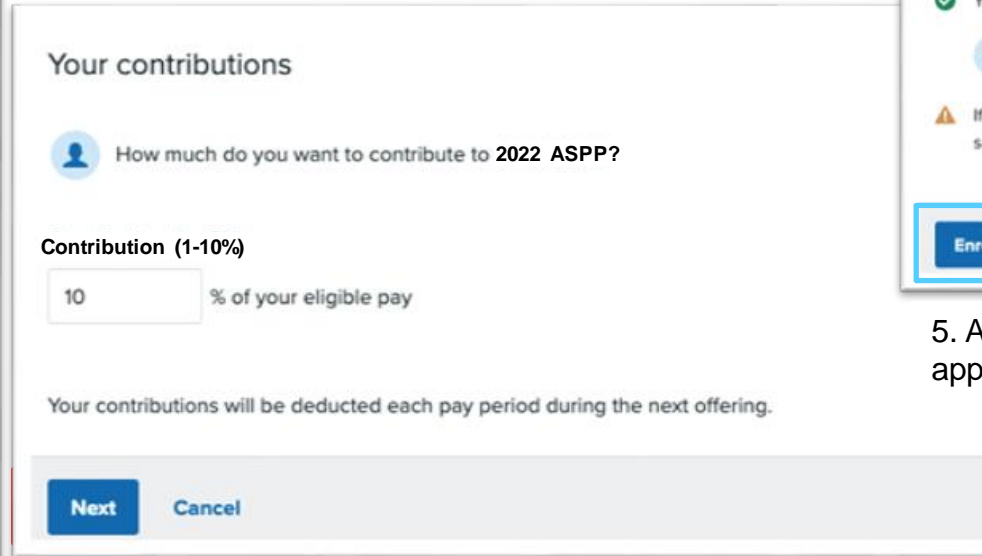
From the profile dropdown you can manage your contact information and document delivery preferences, make changes to your financial institution and update your login or password details.

Enrolling in the ASPP

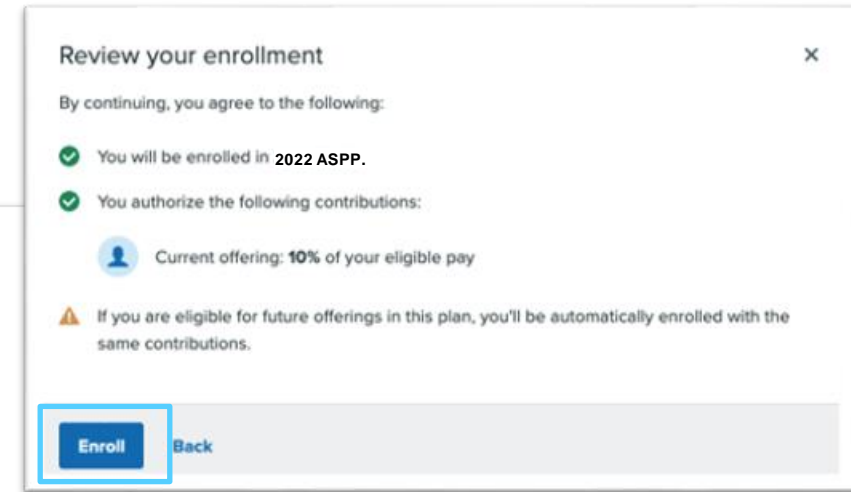
Log in to Shareworks to enroll in the ASPP



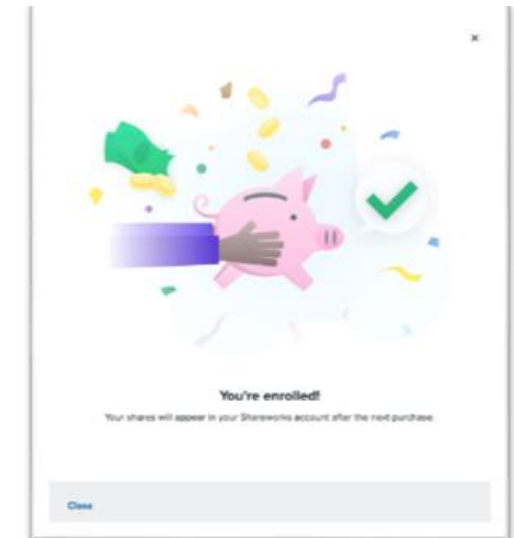
1. Once logged in to Shareworks, scroll down to the **Tasks** bar.
2. Click **Enroll now** on the Enroll in a plan tile.
Note: If you are already enrolled, the tile will say *Change Enrollment*.



3. A summary of your current contributions will appear as '0'. Click **Change Enrollment** to start contributing.
4. Select the percentage of your compensation to contribute to the plan.



5. A summary of your new contribution percentage will appear, select **Save**.



6. A confirmation will appear on screen – **You're enrolled!**.

Your purchased ASPP shares

Transaction View of 2012 ESPP						
Plan	Fund	Current Value		Available to Transact		
		Market Value	Units	Market Value	Units	
2022 ASPP	BBWI - NYSE	\$11,901.92 USD	292.000000	\$11,901.92 USD	292.000000	Model
		\$11,901.92 USD		\$11,901.92 USD		

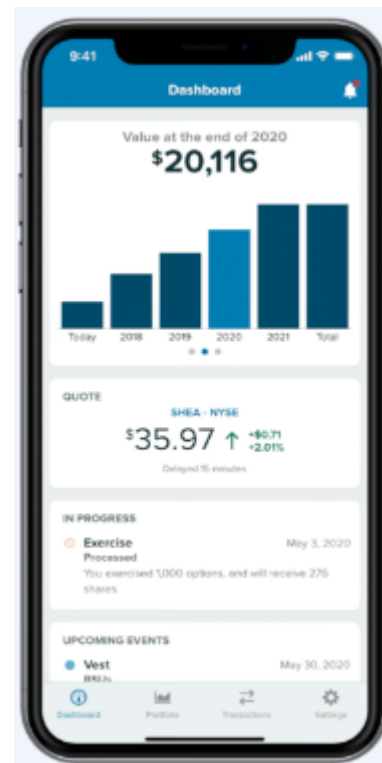
Questions?

QUESTIONS ABOUT YOUR SHAREWORKS ACCOUNT?

Web Support: <https://support.solium.com>

Call Toll-Free: 1-877-380-7793 (8am to 8pm ET)

For additional online support, visit: [Navigating Shareworks](#)



Get started.

Download the Shareworks app today.

Stay better connected. Check updates and account values or dig deeper into award details.

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