



2500 E. Kearney Ave., Springfield, MO 65898

February 15, 2018

Dear Sidney Outfitters,

As outlined in the recent "One Future" communication document you received from Johnny, a team of executives from Bass Pro and Cabela's, supported by outside advisors, is hard at work finalizing the details of our overall integration plan. We are encouraged by the progress and you should expect to receive increasingly frequent updates on the decisions of the team.

Going forward we will continue to follow two fundamental guiding principles. First, we remain committed to keep the overall company financially sound and in a position to grow to provide the vast majority of our people with solid future opportunities. The hunting and shooting sports markets continue to experience significant sales declines industrywide. This fact was underscored this week when important longtime industry vendor, Remington Firearms Company, announced their intent to file for bankruptcy protection. Closer to home, the reality is that Cabela's retail business continued its downward spiral through 2017 with the company reporting very significant losses for the year just ended. This type of performance is obviously not sustainable and requires major and immediate corrective actions.

As we implement the necessary streamlining actions required to enable Cabela's retail business to return to profitability, we will be guided by our second fundamental principle—to be fair and supportive! Johnny's direction to the Integration Team is that he wants us to go above and beyond what is required in our efforts to support all of those negatively impacted. The optional plans below reflect that commitment.

We do not take this process lightly and have a great deal of concern for the impact on our people. In that regard, we have decided to commit further significant funding to offer Outfitters who are employed and work out of the Sidney corporate headquarters an opportunity to voluntarily exit the organization. This opportunity does not apply to retail stores, distribution centers, call centers, CLUB or corporate remote positions.

Two voluntary programs, which are outlined below, have been created to provide compensation greater than the normal severance plan for those eligible for this opportunity.

VOLUNTARY RETIREMENT PROGRAM

Corporate based Outfitters age 50 or older, with a minimum of 10 years' service, will be eligible to participate in the VOLUNTARY RETIREMENT PROGRAM (VRP). This program

was designed to recognize the loyalty that eligible Outfitters have shown the organization. In addition to the already enhanced baseline severance plan with corresponding benefits continuation, participants in the VRP program will receive a one-time, lump-sum cash payment of \$40,000. All participants in this program will also receive a lifetime retirement discount card, enabling retirees to receive prevailing Outfitter discounts.

ENHANCED SEVERANCE OPPORTUNITY

In addition to the VRP, the team has put together a separate offer for corporate Outfitters who are under 50 and/or have less service. This added program, identified as the ENHANCED SEVERANCE OPPORTUNITY (ESO), provides a one-time, lump-sum cash payment of \$20,000. This amount is in addition to the already enhanced baseline severance plan with corresponding benefits continuation. All participants in this program will also receive a ten year continuation of prevailing Outfitter discounts.

These voluntary programs, which will expire on March 1, 2018, are above and beyond what Outfitters will receive in future severance programs. It is important that the needs of the business remain a priority. For that reason, elections to participate in either of these two programs must be approved by senior management. Individuals with change in control severance provisions and who are considering exiting the organization, will be entitled to select to participate in this program, or assert their change in control – whichever is most beneficial to them.

If interested in participating in either of these programs, please send an email to moreinfo@cabelas.com and Human Resources will respond with additional details on your severance compensation and confirm your eligibility for the program. In the subject line of your email, please put your first name, last name and employee number.

Again, our priorities through this process are to be respectful, direct, timely and supportive. We recognize that Sidney is a small rural community and that opportunities to continue a similar career path with a different company may be limited. This enhanced offering is meant to provide additional assistance for that career transition. Some of you may have already been thinking about the option of retiring and these programs may help that thought process. Likewise, there may be a number of you that are not open to relocating from Sidney if opportunities are presented elsewhere and this program is presented to be helpful for you as well.

We hope you will give these voluntary programs your thoughtful consideration.



Jim Hagale

President and Chief Integration Officer

ONE FINAL NOTE:

As you are aware, to help support Sidney Corporate Outfitters, our Founder Johnny Morris made a challenge pledge to former shareholders and executives who benefited greatly from the sale of Cabela's. To date, there has been minimal positive response to the challenge. Irrespective, Johnny has decided to firmly commit to contribute the full amount of his \$10 million challenge. This most recent commitment, when added to the \$10 million dollars previously committed to enhance severance, results in a total of \$20 million dollars of incremental funding to help support dislocated team members. A significant portion of Johnny's challenge commitment is being used to provide the funding for the voluntary programs outlined above.

We remain hopeful that those who did not choose to directly participate in the challenge to support Sidney Outfitters will join us and the City of Sidney and the State of Nebraska to help create other meaningful opportunities for new job creation within the community of Sidney. In this regard, we are encouraged by the interest being expressed by several companies to establish new operations in Sidney in response to the offer Johnny extended to lease unused buildings, valued in excess of \$35 million, to qualified employers for \$1.00/per year.

Sidney Outfitters that choose a voluntary program will also receive their proportional share, if any, of additional funds generated from the challenge to former shareholders and executives who benefitted from the sale, alongside other Sidney Outfitters who do not have a position in the go forward organization.

Additionally, for those not going forward with the company, at the company's expense, we have also retained Career Arc, a respected outplacement services provider, to assist Outfitters in securing future opportunities.