

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported):  
February 16, 2016

**ALLIANCE DATA SYSTEMS CORPORATION**  
(Exact Name of Registrant as Specified in Charter)

**DELAWARE**  
(State or Other Jurisdiction  
of Incorporation)

**001-15749**  
(Commission  
File Number)

**31-1429215**  
(IRS Employer  
Identification No.)

**7500 DALLAS PARKWAY, SUITE 700**  
**PLANO, TEXAS 75024**  
(Address and Zip Code of Principal Executive Offices)

**(214) 494-3000**  
(Registrant's Telephone Number, including Area Code)

**NOT APPLICABLE**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act
-

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On February 1, 2016, the Compensation Committee of the Board of Directors and the Board of Directors of Alliance Data Systems Corporation (the "Company") approved long-term equity incentive compensation awards for the Company's executives and senior leaders, and such awards were granted on February 16, 2016. The long-term equity incentive compensation awards consist of 80% performance-based restricted stock units and 20% time-based restricted stock units and were made pursuant to the Company's 2015 Omnibus Incentive Plan. Consistent with past practice and subject to the discretion of the Compensation Committee of the Board of Directors of the Company, the performance restriction on the performance-based restricted stock unit awards will lapse provided that the Company's 2016 income before income taxes determined in accordance with GAAP ("EBT") meets or exceeds \$994 million to achieve 50% of the target award; \$1,104 million to achieve 100% of the target award; and \$1,214 million to achieve 150% of the target award, with a fixed scale between \$994 million and \$1,214 million. Upon achievement of the performance target, the performance restriction will lapse with respect to 33% of the award on February 16, 2017, with respect to an additional 33% of the award on February 16, 2018 and with respect to the final 34% of the award on February 19, 2019 (each such date a "Vesting Date") provided that the participant is employed by the Company on each such Vesting Date. The same percentages and Vesting Dates apply to the time-based restricted stock unit awards.

The total target number of time-based restricted stock units ("TBSU") and performance-based restricted stock units ("PBRU"), which may be adjusted up or down based on the Company's performance as described, granted to the Company's chief executive officer, chief financial officer and named executive officers are as follows:

Edward J. Heffernan, President and Chief Executive Officer: 20,104 (PBRU); 5,026 (TBSU)

Charles L. Horn, EVP and Chief Financial Officer: 5,736 (PBRU); 1,434 (TBSU)

Bryan J. Kennedy, EVP and President, Epsilon: 7,080 (PBRU); 1,769 (TBSU)

Melisa A. Miller, EVP and President, Card Services: 7,096 (PBRU); 1,774 (TBSU)

Bryan A. Pearson, EVP and President, LoyaltyOne: 7,323 (PBRU); 1,830 (TBSU)

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<b><u>Exhibit No.</u></b>	<b><u>Document Description</u></b>
10.1	Form of Time-Based Restricted Stock Unit Award Agreement under the Alliance Data Systems Corporation 2015 Omnibus Incentive Plan.
10.2	Form of Performance-Based Restricted Stock Unit Award Agreement under the Alliance Data Systems Corporation 2015 Omnibus Incentive Plan (2016 grant).

---

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Alliance Data Systems Corporation

Date: February 17, 2016

By:           /s/ Charles L. Horn            
Charles L. Horn  
Executive Vice President and  
Chief Financial Officer

---

**EXHIBIT INDEX**

<b><u>Exhibit No.</u></b>	<b><u>Document Description</u></b>
10.1	Form of Time-Based Restricted Stock Unit Award Agreement under the Alliance Data Systems Corporation 2015 Omnibus Incentive Plan.
10.2	Form of Performance-Based Restricted Stock Unit Award Agreement under the Alliance Data Systems Corporation 2015 Omnibus Incentive Plan (2016 grant).

---

**TIME-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT  
UNDER THE ALLIANCE DATA SYSTEMS CORPORATION  
2015 OMNIBUS INCENTIVE PLAN**

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (the "**Agreement**"), made as of [GRANT DATE] (the "**Grant Date**") by and between Alliance Data Systems Corporation (the "**Company**") and [PARTICIPANT NAME] (the "**Participant**") who is an employee of the Company or one of its Affiliates, evidences the grant by the Company of an award of restricted stock units (the "**Award**") to the Participant and the Participant's acceptance of the Award in accordance with the provisions of the Alliance Data Systems Corporation 2015 Omnibus Incentive Plan (the "**Plan**"). The Company and the Participant agree as follows:

1. **Basis for Award.** The Award is made under the Plan pursuant to Section 6(f) thereof.

2. **Restricted Stock Units Awarded.**

(a) The Company hereby awards to the Participant, in the aggregate, [SHARES GRANTED] Restricted Stock Units which shall be subject to the conditions set forth in the Plan and this Agreement.

(b) Restricted Stock Units shall be evidenced by an account established and maintained for the Participant, which shall be credited for the number of Restricted Stock Units granted to the Participant. By accepting this Award, the Participant acknowledges that the Company does not have an adequate remedy in damages for the breach by the Participant of the conditions and covenants set forth in this Agreement and agrees that the Company is entitled to and may obtain an order or a decree of specific performance against the Participant issued by any court having jurisdiction.

(c) Except as provided in the Plan or this Agreement, prior to vesting as provided in Section 3 of this Agreement, the Restricted Stock Units will be forfeited by the Participant and all of the Participant's rights to Stock underlying the Award shall immediately terminate without any payment or consideration by the Company, in the event of a Participant's termination of employment as provided in Section 4 below.

3. **Vesting.** Subject to Sections 2 and 4 of this Agreement, the Award will vest with respect to 33% upon the day of the first anniversary of the date of grant; an additional 33% of the Award will become vested on the day of the second anniversary of the date of grant; and the final 34% of the Award will become vested on the day of the third anniversary of the date of grant; provided, that, the Participant is then employed by the Company or an Affiliate. Notwithstanding the foregoing, subject to the limitations of the Plan, the Committee may accelerate the vesting of all or part of the Award at any time and for any reason. As soon as practicable after the Award vests and consistent with Section 409A of the Code, payment shall be made in Stock (based upon the Fair Market Value of the Stock on the day all restrictions lapse). The Committee shall cause the Stock to be electronically delivered to the Participant's electronic account with respect to such Stock free of all restrictions. Pursuant to Section 11, any number of shares delivered shall be net of the number of shares withheld for satisfaction of Tax-Related Items (as defined below), if applicable.

4. **Termination of Employment.** Unless otherwise determined by the Committee at time of grant or thereafter or as otherwise provided in the Plan, any unvested portion of any outstanding Award held by a Participant at the time of termination of employment or other service for any reason will be forfeited upon such termination.

5. **Participant.** Whenever the word "*Participant*" is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the beneficiaries, the executors, the administrators, or the person or persons to whom the Restricted Stock Units may be transferred by will or by the laws of descent and distribution, the word "Participant" shall be deemed to include such person or persons.

6. **Adjustments; Change in Control.**

(a) In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Stock or other property), recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase or exchange of Stock or other securities, liquidation, dissolution, or other similar corporate transaction or event, affects the Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of the number and kind of shares that may be issued in respect of Restricted Stock Units. In addition, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, events described in the preceding sentence) affecting the Company or any Affiliate or the financial statements of the Company or any Affiliate or in response to changes in applicable laws, regulations, or accounting principles. Notwithstanding the foregoing, no such adjustment shall be authorized with respect to Awards subject to Section 6(g) of the Plan to the extent that such authority could cause such Awards to fail to qualify as "qualified performance-based compensation" under Section 162(m)(4)(C) of the Code.

(b) In connection with a Change in Control, the Committee may, in its sole discretion, accelerate the vesting and/or the lapse of restrictions with respect to the Award. If the Award is not assumed, substituted for an award of equal value, or otherwise continued after a Change in Control, the Award shall automatically vest prior to the Change in Control at a time designated by the Committee. Timing of any payment or delivery of shares of Stock under this provision shall be subject to Section 409A of the Code.

(c) All outstanding Restricted Stock Units shall immediately vest upon a termination of employment by the Company or an Affiliate without Cause, within twelve months after a Change in Control.

7. **Clawback.** Notwithstanding anything in the Plan or this Agreement to the contrary, in the event that the Participant breaches any nonsolicitation, noncompetition or confidentiality agreement entered into with, or while acting on behalf of, the Company or any Affiliate, the Committee may (a) cancel the Award, in whole or in part, whether or not vested, and/or (b) require such Participant or former Participant to repay to the Company any gain realized or payment or shares received upon the exercise or payment of, or lapse of restrictions with respect to, such Award (with such gain, payment or shares valued as of the date of exercise, payment or lapse of restrictions). Notwithstanding anything in the Plan or any Agreement to the contrary, if any of the Company's financial statements are required to be restated due to errors, omissions, fraud, or misconduct, the Committee may, in its sole discretion but acting in good faith, direct the Company to recover all or a portion of any Award or any past or future compensation from any Participant or former Participant with respect to any fiscal year of the Company for which the financial results are negatively affected by such restatement. Such cancellation or repayment obligation shall be effective as of the date specified by the Committee. Any repayment obligation may be satisfied in shares of Stock or cash or a combination thereof (based upon the Fair Market Value of the shares of Stock on the date of repayment) and the Committee may provide for an offset to any future payments owed by the Company or any Affiliate to the Participant if necessary to satisfy the repayment obligation; provided, however, that if any such offset is prohibited under applicable law, the Committee shall not permit any offsets and may require immediate repayment by the Participant.

8. **Compliance with Law.** Notwithstanding any of the provisions hereof, the Company will not be obligated to issue or deliver any Stock to the Participant hereunder, if the exercise thereof or the issuance or delivery of such Stock shall constitute a violation by the Participant or the Company of any provisions of any law or regulation of any governmental authority. Any determination in this connection by the Committee shall be final, binding and conclusive. The Company shall in no event be obliged to register any securities pursuant to the U.S. Securities Act of 1933 (as now in effect or as hereafter amended) or to take any other affirmative action in order to cause the issuance or delivery of Stock pursuant thereto to comply with any law or regulation of any governmental authority.

9. **No Right to Continued Employment.** Nothing in this Agreement or in the Plan shall be construed as giving any employee or other person the right to be retained in the employ or service of the Company or any Affiliate, nor shall it interfere in any way with the right of the Company or any Affiliate to terminate any employee's employment or other person's service at any time. Participant acknowledges and agrees that the continued vesting of the Restricted Stock Units granted hereunder is premised upon attainment of the conditions set forth herein and vesting of such Restricted Stock Units shall not accelerate upon termination of employment for any reason unless specifically provided for herein.

10. **Representations and Warranties of Participant.** The Participant represents and warrants to the Company that:

(a) **Agrees to Terms of the Plan.** The Participant has received a copy of the Plan and has read and understands the terms of the Plan and this Agreement, and agrees to be bound by their terms and conditions. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control. **All capitalized terms not defined herein shall have the meaning ascribed to them as set forth in the Plan.**

(b) **Cooperation.** The Participant agrees to sign such additional documentation as may reasonably be required from time to time by the Company.

(c) **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Stock. The Participant should consult with the Participant's own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan.

11. **Responsibility for Taxes.** The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Affiliate that employs the Participant (the "**Employer**"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("**Tax-Related Items**") is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Award, the subsequent sale of shares of Stock acquired pursuant to the Award and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Furthermore, if the Participant has become subject to Tax Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by: (i) requiring a cash payment from the Participant; (ii) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or the Employer, (iii) withholding from the proceeds of the sale of Stock acquired pursuant to the Award, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent); and/or (iv) withholding from the shares of Stock subject to the Restricted Stock Units, provided, however, that if the Participant is a Section 16 officer of the Company under the Exchange Act, then the Participant may elect the form of withholding from the alternatives above in advance of any tax withholding event, and in the absence of the Participant's timely election, the Company will withhold in shares of Stock, or the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) may determine that a particular method be used to satisfy any withholding obligations for Tax-Related Items..



The Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case the Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in Stock. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, the Participant is deemed, for tax purposes, to have been issued the full number of shares of Stock subject to the vested Restricted Stock Units, notwithstanding that a number of the shares of Stock are held back solely for the purpose of paying the Tax-Related Items.

The Company may refuse to issue or deliver the Stock or the proceeds of the sale of Stock if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

12. **Rights as Stockholder.** The Participant shall have no rights as a stockholder with respect to any Restricted Stock Unit until he shall have become the holder of record of such Stock, and no adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date upon which Participant shall become the holder of record thereof.

13. **Notice.** Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided, that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to Participant's address as recorded in the records of the Company.

14. **Governing Law; Choice of Venue.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to its conflict of law principles.

For purposes of litigating any dispute that arises under this grant or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Texas, agree that such litigation shall be conducted in the courts of Collin County, Texas, or the federal courts for the United States for the Eastern District of Texas, where this grant is made and/or to be performed.

15. **Electronic Transmission and Participation.** The Company reserves the right to deliver any notice or Award by email in accordance with its policy or practice for electronic transmission and any written Award or notice referred to herein or under the Plan may be given in accordance with such electronic transmission policy or practice. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or any third party designated by the Company.

16. **Country - Specific Provisions.** The Restricted Stock Units shall be subject to any special terms and conditions set forth in the appendix to this Agreement for the Participant's country (the "*Appendix*"). Moreover, if the Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

17. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Restricted Stock Units and on any Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

18. **Severability.** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. **Waiver.** The Participant acknowledges that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by the Participant or any other Participant.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ALLIANCE DATA SYSTEMS  
CORPORATION

By:

**Joseph L. Motes, III**  
**SVP, General Counsel and Secretary**

PARTICIPANT

[PARTICIPANT NAME]

**APPENDIX TO THE  
TIME-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT  
UNDER THE ALLIANCE DATA SYSTEMS CORPORATION  
2015 OMNIBUS INCENTIVE PLAN**

This Appendix contains additional (or, if so indicated, different) terms and conditions that govern the Award if the Participant is or becomes located outside of the U.S. All capitalized terms not defined herein shall have the meaning ascribed to them as set forth in the Plan or the main body of this Agreement, as applicable.

If the Participant is a citizen or resident of a country other than the one in which he or she is currently working, is considered a citizen or resident of another country for local law purposes, or transfers employment or residency to another country after the Award is granted, the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Participant.

**ALL COUNTRIES**

**Nature of Grant.** In accepting the Award, the Participant acknowledges, understands and agrees that:

- a) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan;
- b) the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future awards, or benefits in lieu of awards, even if awards have been granted in the past;
- c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;
- d) the Participant's participation in the Plan is voluntary;
- e) the Award and any Stock underlying or acquired pursuant to the Award, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- f) the future value of the Stock underlying the Award is unknown, indeterminable and cannot be predicted with certainty;

- g) unless otherwise agreed with the Company, the Award is not granted as consideration for, or in connection with, the service the Participant may provide as a director of any Affiliate;
- h) no claim or entitlement to compensation or damages shall arise from forfeiture of any portion of this Award resulting from termination of the Participant's employment relationship (for any reason whatsoever and regardless of whether later found to be invalid or in breach of applicable laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and, in consideration of the grant of this Award to which the Participant is not otherwise entitled, the Participant irrevocably agrees never to institute any claim against the Company, the Employer and any other Affiliate, waives his or her ability, if any, to bring any such claim, and releases the Company, the Employer and all other Affiliates from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims;
- i) for purposes of the Award, the Participant's employment relationship will be considered terminated as of the date the Participant is no longer actively providing services to the Company or any Affiliate (regardless of the reason for such termination and whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Company, the Participant's right to vest in the Award, if any, will terminate effective as of such date and will not be extended by any notice period (*e.g.*, the Participant's period of employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under the applicable laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of the Award (including whether the Participant may still be considered to be providing services while on a leave of absence);
- j) unless otherwise provided in the Plan or by the Company in its discretion, the Award and the benefits under the Plan evidenced by this Agreement do not create any entitlement to have this Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Stock; and
- k) neither the Company, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the U.S. Dollar that may affect the value of the Award or of any amounts due to the Participant pursuant to the Award or the subsequent sale of any shares of Stock acquired under the Plan.

**Data Privacy.** *The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Award materials by and among, as applicable, the Company, the Employer and any other Affiliate for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.*

*The Participant understands that the Company and the Employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.*

*The Participant understands that Data may be transferred to Fidelity Investments or any of its affiliated companies ("Fidelity"), which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that the Participant may request a list with the names and addresses of any potential recipients of Data by contacting the Participant's local human resources representative. The Participant authorizes the Company, Fidelity and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant this Award or other awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that the Participant may contact the Participant's local human resources representative.*

**Language.** If the Participant has received the Agreement, or any other document related to this Award and/or the Plan translated into a language other than English and the meaning of the translated version is different than the English version, the English version will control.

**Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that, depending on his or her country, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to acquire or sell Stock or rights to Stock under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by applicable laws in his or her country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should consult his or her personal advisor on this matter.

**Foreign Asset / Account and Exchange Control Reporting Obligations.** The Participant may be subject to certain foreign asset and/or account reporting requirements and/or exchange control restrictions, reporting requirements or repatriation obligations related to the Award and participation in the Plan. Such requirements and restrictions may be triggered by the grant of the Award, the opening of a brokerage account in connection with the Plan, the acquisition of shares of Stock or dividends paid on the Stock or cash proceeds from the sale of the shares of Stock, or other activities or transactions related to the Plan. The Participant acknowledges that it is his or her responsibility to be compliant with any applicable requirements, and the Participant should consult his or her personal legal advisor with any questions about such requirements.

## AUSTRALIA

### Offer Document

The Company is pleased to provide the Participant with this offer to participate in the Plan. This offer sets out information regarding the grant of an award of time-based restricted stock units to Australian resident employees of the Company and its Affiliates. This offer is provided by the Company to ensure compliance of the Plan with Australian Securities and Investments Commission ("**ASIC**") Class Order 14/1000 and relevant provisions of the Corporations Act 2001.

In addition to the information set out in the Agreement, the Participant is also being provided with copies of the following documents:

- (a) the Plan;
- (b) U.S. prospectus for the Plan; and
- (c) Employee Information Supplement for Australia

(collectively, the "**Additional Documents**").

The Additional Documents provide further information to help the Participant make an informed investment decision about participating in the Plan. Neither the Plan nor the U.S. prospectus for the Plan is a prospectus for the purposes of the *Corporations Act 2001*.

The Participant should not rely upon any oral statements made in relation to this offer. The Participant should rely only upon the statements contained in the Agreement and the Additional Documents when considering participation in the Plan.

## **Securities Law Notification**

Investment in Stock involves a degree of risk. Participants who elect to participate in the Plan should monitor their participation and consider all risk factors relevant to the acquisition of Stock under the Plan as set out in the Agreement and the Additional Documents.

The information contained in this offer is general information only. It is not advice or information that takes into account the Participant's objectives, financial situation and needs.

Participants should consider obtaining their own financial product advice from an independent person who is licensed by ASIC to give advice about participation in the Plan.

### **Additional Risk Factors for Australian Residents**

Participants should have regard to risk factors relevant to investment in securities generally and, in particular, to the holding of shares of Stock. For example, the price at which the Stock is quoted on the New York Stock Exchange may increase or decrease due to a number of factors. There is no guarantee that the price of the Stock will increase. Factors which may affect the price of the Stock include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates and general operational and business risks. In addition, the Participant should be aware that the Australian dollar value of any Stock acquired under the Plan will be affected by the U.S. dollar/Australian dollar exchange rate. Participation in the Plan involves certain risks related to fluctuations in this rate of exchange.

### **Common Stock**

Common stock of a U.S. corporation is analogous to ordinary shares of an Australian corporation. Each holder of the Company's common stock is entitled to one vote for every share held in the Company.

Dividends may be paid on the shares of Stock out of any funds of the Company legally available for dividends at the discretion of the Board.

The shares of Stock are traded on the New York Stock Exchange in the United States of America under the symbol "ADS".

The shares of Stock are not liable to any further calls for payment of capital or for other assessment by the Company and have no sinking fund provisions, pre-emptive rights, conversion rights or redemption provisions.

### **Ascertaining the Market Price of Shares**

Participants may ascertain the current market price of the Stock as traded on the New York Stock Exchange at <http://www.nyse.com> under the symbol "ADS." The Australian dollar equivalent of that price can be obtained at: <http://www.rba.gov.au/statistics/frequency/exchange-rates.html>.

*This will not be a prediction of what the market price per share of Stock will be when the Award vests or when the shares of Stock are issued or of the applicable exchange rate on the date the shares of Stock are issued.*

## **BRAZIL**

**Compliance with Law.** In accepting the Award, the Participant acknowledges that he or she agrees to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the vesting settlement of the Award, the sale of the Shares acquired under the Plan and the receipt of any dividends.

**Nature of Grant.** The following provision supplements the "Nature of Grant" provision of the Appendix:

In accepting the Award, the Participant understands and agrees that (i) he or she is making an investment decision, (ii) the shares of Stock will be issued to the Participant only if the vesting conditions are met and any necessary services are rendered by the Participant over the vesting period, and (iii) the value of the underlying Stock is not fixed and may increase or decrease over the vesting period without compensation to the Participant.

## **CANADA**

**Nature of Grant.** The following provision replaces subsection (i) of the "Nature of Grant" provision of the Appendix:

For purposes of the Award, the Participant's employment relationship will be considered terminated as of the date that is the earlier of (i) the date of the Participant's termination, (ii) the date the Participant receives notice of termination, or (iii) the date the Participant is no longer actively providing services and will not be extended by any notice period (*e.g.*, active service would not include any contractual notice period or any period of "garden leave" or similar period mandated under Canadian laws or the terms of the Participant's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing service for purposes of the Restricted Stock Unit (including whether the Participant may still be considered to be providing services while on a leave of absence).

*The following provisions apply for Participants resident in Quebec:*

**Language Consent.** The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

**Consentement Relatif à la Langue Utilisée.** *Les parties reconnaissent avoir expressément souhaité que la convention ["Agreement"], ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.*

**Data Privacy.** The following provision supplements the "Data Privacy" provision of the Appendix:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company, any Affiliate and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Participant further authorizes the Company and any Affiliate to record such information and to keep such information in the Participant's employee file.

**Securities Law Information.** The Participant acknowledges that he or she is permitted to sell the Stock acquired under the Plan through the designated broker appointed by the Company, provided the sale of the Stock takes place outside of Canada through facilities of a stock exchange on which the shares of Stock are listed (*i.e.*, the NYSE).



## **FRANCE**

**Award Not Tax-Qualified.** The Participant understands that the Award is not intended to be French tax-qualified.

**Language Consent.** By accepting the Agreement, the Participant confirms having read and understood the documents relating to this grant (the Plan and the Agreement) which were provided in English language. The Participant accepts the terms of those documents accordingly.

**Consentement Relatif à la Langue Utilisée.** *En acceptant le Contrat, la Participant confirme avoir lu et compris les documents relatifs à cette attribution (le Plan et le Contrat) qui ont été communiqués en langue anglaise. La Participant accepte les termes de ces documents en connaissance de cause.*

## **GERMANY**

No country-specific provisions apply.

## **HONG KONG**

**Representations and Warranties of Participant.** The following provision supplements Section 10 of the main body of the Agreement:

Any shares of Stock received at vesting are accepted by Participant as a personal investment. In the event that the Restricted Stock Units vest and shares of Stock are issued to the Participant (or the Participant's heirs) within six months of the date of grant, the Participant (or the Participant's heirs) agrees that the shares will not be offered to the public or otherwise disposed of prior to the six-month anniversary of the date of grant.

**Securities Law Information.** *WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant is advised to exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of this document, he or she should obtain independent professional advice. Neither the grant of the Restricted Stock Units nor the issuance of Stock upon vesting of the Restricted Stock Units constitutes a public offering of securities under Hong Kong law; the Restricted Stock Units and the shares of Stock are available only to employees of the Company and its Affiliates. The Agreement, including this Appendix, the Plan and other incidental communication materials distributed in connection with the Restricted Stock Units (i) have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, and (ii) are intended only for the personal use of each eligible employee of the Company and its Affiliates and may not be distributed to any other person.*

**Data Privacy.** The following provision replaces the "Data Privacy" provision of the Appendix:

*The Participant understands that the Employer and/or the Company may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of shares of stock held and the details of all Restricted Stock Units or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested or outstanding (the "Data") for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant is aware that providing the Company with the Participant's Data is necessary for the performance of the Agreement and that the Participant's refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect the Participant's ability to participate in the Plan.*

*The Controller of personal data processing is Alliance Data Systems Corporation, 7500 Dallas Parkway, Plano, Texas, 75024 U.S.A., and, pursuant to D.lgs 196/2003, its representative in Italy is Brand Loyalty Italia S.p.A., Viale Tommaso Edison, 110, 20099 Sesto San Giovanni (Milano), Italy. The Participant understands that the Data may be transferred to the Company or any of its Affiliates, or to any third parties assisting in the implementation, administration and management of the Plan, including any transfer required to Fidelity with whom Stock acquired pursuant to the vesting of the Restricted Stock Units or cash from the sale of such Stock may be deposited. Furthermore, the recipients that may receive, possess, use, retain and transfer such Data for the above mentioned purposes may be located in Italy or elsewhere, including outside of the European Union and the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The processing activity, including the transfer of the Participant's personal data abroad, outside of the European Union, as herein specified and pursuant to applicable laws and regulations, does not require the Participant's consent thereto as the processing is necessary for the performance of contractual obligations related to the implementation, administration and management of the Plan. The Participant understands that Data processing relating to the purposes above specified shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to D.lgs. 196/2003.*

*The Participant understands that Data will be held only as long as is required by law or as necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that pursuant to art.7 of D.lgs 196/2003, the Participant has the right, including but not limited to, access, delete, update, request the rectification of the Data and cease, for legitimate reasons, the Data processing. Furthermore, the Participant is aware that the Data will not be used for direct marketing purposes. The Data provided can be reviewed and questions or complaints can be addressed by contacting the Participant's local human resources representative.*

**Plan Document Acknowledgement.** By accepting the Restricted Stock Units, the Participant acknowledges that the Participant has received a copy of the Plan and the Agreement and has reviewed the Plan and the Agreement, including the Appendix, in their entirety and fully understands and accepts all provisions of the Plan and the Agreement, including the Appendix. The Participant further acknowledges that the Participant has read and specifically and expressly approves the following sections of the Agreement: Section 2: Restricted Stock Units Awarded; Section 3: Vesting; Section 4: Termination of Employment; Section 7: Clawback;; Section 10: Representations and Warranties of Participant; Section 11 : Responsibility for Taxes; Section 13: Notice; Section 14: Governing Law and Choice of Venue; Section 15: Electronic Transmission and Participation; Section 16: Country-Specific Provisions; and Section 17: Imposition of Other Requirements.

**INDIA**

No country-specific provisions apply.

**IRELAND**

No country-specific provisions apply.

**JAPAN**

No country-specific provisions apply.

**NETHERLANDS**

No country-specific provisions apply.

**SPAIN**

**Nature of Grant.** This provision supplements the "Nature of Grant" provision of the Appendix:

In accepting the Award, the Participant consents to participation in the Plan and acknowledges that Participant has received a copy of the Plan.

The Participant understands and agrees that, as a condition of the grant of the Award, if the Participant's employment terminates, unless otherwise provided in the Agreement or by the Company, any unvested portion of the Award shall be forfeited without entitlement to the underlying Stock or to any amount as indemnification in the event of a termination, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

The Participant understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant the Award to individuals who may be employees of the Company or an Affiliate. The decision is limited and entered into based upon the express assumption and condition that any Award will not economically or otherwise bind the Company or any Affiliate, including the Employer, on an ongoing basis, other than as expressly set forth in the Agreement. Consequently, the Participant understands that the Award is granted on the assumption and condition that the Award shall not become part of any employment or service agreement (whether with the Company or any Affiliate, including the Employer) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, the Participant understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from the grant of the Award, which is gratuitous and discretionary, since the future value of the Award and the underlying Stock is unknown and unpredictable. The Participant also understands that the grant of the Award would not be made but for the assumptions and conditions set forth hereinabove; thus, the Participant understands, acknowledges and freely accepts that, should any or all of the assumptions be mistaken or any of the conditions not be met for any reason, the grant of the Award and any right to the underlying shares of Stock shall be null and void.

**Securities Law Information.** No "offer of securities to the public", as defined under Spanish law, has taken place or will take place in the Spanish territory with respect to the Award. No public offering prospectus has been nor will be registered with the Comisión Nacional del Mercado de Valores (Spanish Securities Exchange Commission) ("**CNMV**"). Neither the Plan nor the Agreement constitute a public offering prospectus and they have not been, nor will they be, registered with the CNMV.

#### **UNITED KINGDOM**

**Responsibility for Taxes.** The following supplements Section 11 of the main body of the Agreement:

If payment or withholding of the income tax due in connection with the Award is not made within ninety (90) days of the end of the U.K. tax year in which the income tax liability arises or such other period as required under U.K. law (the "**Due Date**"), the Participant agrees that the amount of any uncollected income tax shall constitute a loan owed by the Participant to the Employer, effective on the Due Date. The Participant agrees that the loan will bear interest at the then-current HMRC Official Rate, it will be immediately due and repayable, and the Company or the Employer may recover it at any time thereafter by any of the means referred to in Section 11 of the Agreement. If the Participant fails to comply with his or her obligations in connection with the income tax as described in this section, the Company may refuse to deliver the shares of Stock acquired under the Plan.

Notwithstanding the foregoing, if the Participant is a Director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934), the Participant shall not be eligible for a loan from the Company to cover the income tax. In the event that the Participant is a Director or executive officer and income tax is not collected from or paid by the Participant by the Due Date, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and National Insurance contributions ("**NICs**") may be payable. The Participant will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer for the value of any employee NICs due on this additional benefit, which the Company or the Employer may recover by any of the means referred to in Section 11 of the Agreement.

**PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT  
UNDER THE ALLIANCE DATA SYSTEMS CORPORATION  
2015 OMNIBUS INCENTIVE PLAN**

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (the "**Agreement**"), made as of [GRANT DATE] (the "**Grant Date**") by and between Alliance Data Systems Corporation (the "**Company**") and [PARTICIPANT NAME] (the "**Participant**") who is an employee of the Company or one of its Affiliates, evidences the grant by the Company of an award of restricted stock units (the "**Award**") to the Participant and the Participant's acceptance of the Award in accordance with the provisions of the Alliance Data Systems Corporation 2015 Omnibus Incentive Plan (the "**Plan**"). The Company and the Participant agree as follows:

1. **Basis for Award.** The Award is made under the Plan pursuant to Section 6(f) thereof.

2. **Restricted Stock Units Awarded.**

(a) The Company hereby awards to the Participant, in the aggregate, [SHARES GRANTED] Restricted Stock Units which shall be subject to the conditions set forth in the Plan and this Agreement.

(b) Restricted Stock Units shall be evidenced by an account established and maintained for the Participant, which shall be credited for the number of Restricted Stock Units granted to the Participant. By accepting this Award, the Participant acknowledges that the Company does not have an adequate remedy in damages for the breach by the Participant of the conditions and covenants set forth in this Agreement and agrees that the Company is entitled to and may obtain an order or a decree of specific performance against the Participant issued by any court having jurisdiction.

(c) Except as provided in the Plan or this Agreement, prior to vesting as provided in Section 3 of this Agreement, the Restricted Stock Units will be forfeited by the Participant and all of the Participant's rights to Stock underlying the Award shall immediately terminate without any payment or consideration by the Company in the event of a Participant's termination of employment as provided in Section 4 below.

3. **Vesting.**

(a) Subject to Sections 2 and 4 of this Agreement, the restrictions on the Award will lapse as set forth in Section 3(b) below; provided, that, the Participant is employed on each Vesting Date (as defined below) by the Company or an Affiliate. As soon as practicable after the Award vests and consistent with Section 409A of the Code, payment shall be made in Stock (based upon the Fair Market Value of the Stock on the day all restrictions lapse). The Committee shall cause the Stock to be electronically delivered to the Participant's electronic account with respect to such Stock free of all restrictions. Pursuant to Section 11, the number of shares delivered shall be net of the number of shares withheld for satisfaction of Tax-Related Items (as defined below), if any.

(b) The restrictions described in this Agreement will lapse upon determination by the Board or the Compensation Committee of the Board that the Company's Earnings Before Taxes (EBT) for the period from January 1, 2016 to December 31, 2016 meets the vesting criteria set forth in the 2016 ADS EBT Performance Chart shown below. Upon such determination, the restrictions will lapse with respect to 33% upon the day of the first anniversary of the date of grant; an additional 33% of the Award will become vested on the day of the second anniversary of the date of grant; and the final 34% of the Award will become vested on the day of the third anniversary of the date of grant (each such anniversary, a "**Vesting Date**"); provided, that, the Participant is employed by the Company or an Affiliate on each Vesting Date. If the Participant ceases to be employed by the Company or an Affiliate at any time prior to a Vesting Date, any and all unvested Restricted Stock Units shall automatically be forfeited upon such cessation of service.

The aggregate number of Restricted Stock Units on which restrictions will lapse on each Vesting Date will be determined in accordance with the following 2016 ADS EBT Performance Chart. For example, if the Company's EBT for the period from January 1 through December 31, 2016 is determined by the Board or the Compensation Committee of the Board to be \$1,049 million, then restrictions on 75.0% of the total Award will lapse, with restrictions on 33% of the 75.0% lapsing upon the day of the first anniversary of the date of grant, restrictions on 33% of the 75.0% lapsing on the day of the second anniversary of the date of the grant, and restrictions on 34% of the 75.0% lapsing on the day of the third anniversary of the date of the grant, provided the Participant is employed by the Company or an Affiliate on each Vesting Date:

<b>ADS EBT</b>	<b>% Achieved</b>	<b>% Payout</b>
\$ 994	90%	50%
\$ 1,005	91%	55%
\$ 1,016	92%	60%
\$ 1,027	93%	65%
\$ 1,038	94%	70%
\$ 1,049	95%	75%
\$ 1,060	96%	80%
\$ 1,071	97%	85%
\$ 1,082	98%	90%
\$ 1,093	99%	95%
<b>\$ 1,104</b>	<b>100%</b>	<b>100%</b>
\$ 1,115	101%	105%
\$ 1,126	102%	110%
\$ 1,137	103%	115%
\$ 1,148	104%	120%
\$ 1,159	105%	125%
\$ 1,170	106%	130%
\$ 1,181	107%	135%
\$ 1,192	108%	140%
\$ 1,203	109%	145%
\$ 1,214	110%	150%

4. **Termination of Employment.** Unless otherwise determined by the Committee at time of grant or thereafter or as otherwise provided in the Plan, any unvested portion of any outstanding Award held by a Participant at the time of termination of employment or other service for any reason will be forfeited upon such termination.

5. **Participant.** Whenever the word "*Participant*" is used in any provision of this Agreement under circumstances where the provision should logically be construed to apply to the beneficiaries, the executors, the administrators, or the person or persons to whom the Restricted Stock Units may be transferred by will or by the laws of descent and distribution, the word "Participant" shall be deemed to include such person or persons.

6. **Adjustments; Change in Control.**

(a) In the event that the Committee determines that any dividend or other distribution (whether in the form of cash, Stock or other property), recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase or exchange of Stock or other securities, liquidation, dissolution, or other similar corporate transaction or event, affects the Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of the number and kind of shares that may be issued in respect of Restricted Stock Units. In addition, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, events described in the preceding sentence) affecting the Company or any Affiliate or the financial statements of the Company or any Affiliate or in response to changes in applicable laws, regulations, or accounting principles. Notwithstanding the foregoing, no such adjustment shall be authorized with respect to Awards subject to Section 6(g) of the Plan to the extent that such authority could cause such Awards to fail to qualify as "qualified performance-based compensation" under Section 162(m)(4)(C) of the Code.

(b) In connection with a Change in Control, the Committee may, in its sole discretion, accelerate the vesting and/or the lapse of restrictions with respect to the Award. If the Award is not assumed, substituted for an award of equal value, or otherwise continued after a Change in Control, the Award shall automatically vest prior to the Change in Control at a time designated by the Committee. Timing of any payment or delivery of shares of Stock under this provision shall be subject to Section 409A of the Code.

(c) All outstanding Restricted Stock Units shall immediately vest upon a termination of employment by the Company or an Affiliate without Cause, within twelve months after a Change in Control.

7. **Clawback.** Notwithstanding anything in the Plan or this Agreement to the contrary, in the event that the Participant breaches any nonsolicitation, noncompetition or confidentiality agreement entered into with, or while acting on behalf of, the Company or any Affiliate, the Committee may (a) cancel the Award, in whole or in part, whether or not vested, and/or (b) require such Participant or former Participant to repay to the Company any gain realized or payment or shares received upon the exercise or payment of, or lapse of restrictions with respect to, such Award (with such gain, payment or shares valued as of the date of exercise, payment or lapse of restrictions). Notwithstanding anything in the Plan or any Agreement to the contrary, if any of the Company's financial statements are required to be restated due to errors, omissions, fraud, or misconduct, the Committee may, in its sole discretion but acting in good faith, direct the Company to recover all or a portion of any Award or any past or future compensation from any Participant or former Participant with respect to any fiscal year of the Company for which the financial results are negatively affected by such restatement. Such cancellation or repayment obligation shall be effective as of the date specified by the Committee. Any repayment obligation may be satisfied in shares of Stock or cash or a combination thereof (based upon the Fair Market Value of the shares of Stock on the date of repayment) and the Committee may provide for an offset to any future payments owed by the Company or any Affiliate to the Participant if necessary to satisfy the repayment obligation; provided, however, that if any such offset is prohibited under applicable law, the Committee shall not permit any offsets and may require immediate repayment by the Participant.

8. **Compliance with Law.** Notwithstanding any of the provisions hereof, the Company will not be obligated to issue or deliver any Stock to the Participant hereunder, if the exercise thereof or the issuance or delivery of such Stock shall constitute a violation by the Participant or the Company of any provisions of any law or regulation of any governmental authority. Any determination in this connection by the Committee shall be final, binding and conclusive. The Company shall in no event be obliged to register any securities pursuant to the U.S. Securities Act of 1933 (as now in effect or as hereafter amended) or to take any other affirmative action in order to cause the issuance or delivery of Stock pursuant thereto to comply with any law or regulation of any governmental authority.

9. **No Right to Continued Employment.** Nothing in this Agreement or in the Plan shall be construed as giving any employee or other person the right to be retained in the employ or service of the Company or any Affiliate, nor shall it interfere in any way with the right of the Company or any Affiliate to terminate any employee's employment or other person's service at any time. Participant acknowledges and agrees that the continued vesting of the Restricted Stock Units granted hereunder is premised upon attainment of the performance goals set forth herein and vesting of such Restricted Stock Units shall not accelerate upon termination of employment for any reason unless specifically provided for herein.

10. **Representations and Warranties of Participant.** The Participant represents and warrants to the Company that:

(a) **Agrees to Terms of the Plan.** The Participant has received a copy of the Plan and has read and understands the terms of the Plan and this Agreement, and agrees to be bound by their terms and conditions. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Agreement, the Plan shall govern and control. **All capitalized terms not defined herein shall have the meaning ascribed to them as set forth in the Plan.**

(b) **Cooperation.** The Participant agrees to sign such additional documentation as may reasonably be required from time to time by the Company.

(c) **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Stock. The Participant should consult with the Participant's own personal tax, legal and financial advisors regarding participation in the Plan before taking any action related to the Plan.



11. **Responsibility for Taxes.** The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Affiliate that employs the Participant (the "**Employer**"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Participant's participation in the Plan and legally applicable to the Participant ("**Tax-Related Items**") is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including, but not limited to, the grant, vesting or settlement of the Award, the subsequent sale of shares of Stock acquired pursuant to the Award and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Award to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Furthermore, if the Participant has become subject to Tax Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, the Participant will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy their withholding obligations with regard to all Tax-Related Items by: (i) requiring a cash payment from the Participant; (ii) withholding from the Participant's wages or other cash compensation paid to the Participant by the Company and/or the Employer, (iii) withholding from the proceeds of the sale of Stock acquired pursuant to the Award, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent); and/or (iv) withholding from the shares of Stock subject to the Restricted Stock Units, provided, however, that if the Participant is a Section 16 officer of the Company under the Exchange Act, then the Participant may elect the form of withholding from the alternatives above in advance of any tax withholding event, and in the absence of the Participant's timely election, the Company will withhold in shares of Stock, or the Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) may determine that a particular method be used to satisfy any withholding obligations for Tax-Related Items.

The Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case the Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent in Stock. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, the Participant is deemed, for tax purposes, to have been issued the full number of shares of Stock subject to the vested Restricted Stock Units, notwithstanding that a number of the shares of Stock are held back solely for the purpose of paying the Tax-Related Items.

The Company may refuse to issue or deliver the Stock or the proceeds of the sale of Stock if the Participant fails to comply with his or her obligations in connection with the Tax-Related Items.

12. **Rights as Stockholder.** The Participant shall have no rights as a stockholder with respect to any Restricted Stock Unit until he shall have become the holder of record of such Stock, and no adjustment shall be made for dividends or distributions or other rights for which the record date is prior to the date upon which Participant shall become the holder of record thereof.

13. **Notice.** Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided, that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to Participant's address as recorded in the records of the Company.

14. **Governing Law; Choice of Venue.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to its conflict of law principles.

For purposes of litigating any dispute that arises under this grant or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Texas, agree that such litigation shall be conducted in the courts of Collin County, Texas, or the federal courts for the United States for the Eastern District of Texas, where this grant is made and/or to be performed.

15. **Electronic Transmission and Participation.** The Company reserves the right to deliver any notice or Award by email in accordance with its policy or practice for electronic transmission and any written Award or notice referred to herein or under the Plan may be given in accordance with such electronic transmission policy or practice. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or any third party designated by the Company.

16. **Country - Specific Provisions.** The Restricted Stock Units shall be subject to any special terms and conditions set forth in the appendix to this Agreement for the Participant's country (the "*Appendix*"). Moreover, if the Participant relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

17. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Restricted Stock Units and on any Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

18. **Severability.** The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. **Waiver.** The Participant acknowledges that a waiver by the Company of breach of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by the Participant or any other Participant.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ALLIANCE DATA SYSTEMS  
CORPORATION

By:

**Joseph L. Motes, III**  
**SVP, General Counsel and Secretary**

PARTICIPANT

[PARTICIPANT NAME]

**APPENDIX TO THE  
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT  
UNDER THE ALLIANCE DATA SYSTEMS CORPORATION  
2015 OMNIBUS INCENTIVE PLAN**

This Appendix contains additional (or, if so indicated, different) terms and conditions that govern the Award if the Participant is or becomes located outside of the U.S. All capitalized terms not defined herein shall have the meaning ascribed to them as set forth in the Plan or the main body of this Agreement, as applicable.

If the Participant is a citizen or resident of a country other than the one in which he or she is currently working, is considered a citizen or resident of another country for local law purposes, or transfers employment or residency to another country after the Award is granted, the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Participant.

**ALL COUNTRIES**

**Nature of Grant.** In accepting the Award, the Participant acknowledges, understands and agrees that:

- a) the Plan is established voluntarily by the Company, is discretionary in nature and may be modified, amended, suspended, or terminated by the Company at any time, to the extent permitted by the Plan;
- b) the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future awards, or benefits in lieu of awards, even if awards have been granted in the past;
- c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;
- d) the Participant's participation in the Plan is voluntary;
- e) the Award and any Stock underlying or acquired pursuant to the Award, and the income and value of same, are not part of normal or expected compensation or salary for any purposes, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- f) the future value of the Stock underlying the Award is unknown, indeterminable and cannot be predicted with certainty;
- g) unless otherwise agreed with the Company, the Award is not granted as consideration for, or in connection with, the service the Participant may provide as a director of any Affiliate;

- h) no claim or entitlement to compensation or damages shall arise from forfeiture of any portion of this Award resulting from termination of the Participant's employment relationship (for any reason whatsoever and regardless of whether later found to be invalid or in breach of applicable laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and, in consideration of the grant of this Award to which the Participant is not otherwise entitled, the Participant irrevocably agrees never to institute any claim against the Company, the Employer and any other Affiliate, waives his or her ability, if any, to bring any such claim, and releases the Company, the Employer and all other Affiliates from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims;
  
- i) for purposes of the Award, the Participant's employment relationship will be considered terminated as of the date the Participant is no longer actively providing services to the Company or any Affiliate (regardless of the reason for such termination and whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Company, the Participant's right to vest in the Award, if any, will terminate effective as of such date and will not be extended by any notice period (*e.g.*, the Participant's period of employment would not include any contractual notice period or any period of "garden leave" or similar period mandated under the applicable laws in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of the Award (including whether the Participant may still be considered to be providing services while on a leave of absence);
  
- j) unless otherwise provided in the Plan or by the Company in its discretion, the Award and the benefits under the Plan evidenced by this Agreement do not create any entitlement to have this Award or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Stock; and
  
- k) neither the Company, the Employer nor any other Affiliate shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the U.S. Dollar that may affect the value of the Award or of any amounts due to the Participant pursuant to the Award or the subsequent sale of any shares of Stock acquired under the Plan.

**Data Privacy.** *The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Participant's personal data as described in this Agreement and any other Award materials by and among, as applicable, the Company, the Employer and any other Affiliate for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan.*

*The Participant understands that the Company and the Employer may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social insurance number, passport or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.*

*The Participant understands that Data may be transferred to Fidelity Investments or any of its affiliated companies ("Fidelity"), which is assisting the Company with the implementation, administration and management of the Plan. The Participant understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The Participant understands that the Participant may request a list with the names and addresses of any potential recipients of Data by contacting the Participant's local human resources representative. The Participant authorizes the Company, Fidelity and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that Data will be held only as long as is necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that the Participant may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Participant's local human resources representative. Further, the Participant understands that the Participant is providing the consents herein on a purely voluntary basis. If the Participant does not consent, or if the Participant later seeks to revoke the Participant's consent, the Participant's employment and career with the Employer will not be affected; the only consequence of refusing or withdrawing the Participant's consent is that the Company would not be able to grant this Award or other awards to the Participant or administer or maintain such awards. Therefore, the Participant understands that refusing or withdrawing the Participant's consent may affect the Participant's ability to participate in the Plan. For more information on the consequences of the Participant's refusal to consent or withdrawal of consent, the Participant understands that the Participant may contact the Participant's local human resources representative.*

**Language.** If the Participant has received the Agreement, or any other document related to this Award and/or the Plan translated into a language other than English and the meaning of the translated version is different than the English version, the English version will control.

**Insider Trading Restrictions/Market Abuse Laws.** The Participant acknowledges that, depending on his or her country, the Participant may be subject to insider trading restrictions and/or market abuse laws, which may affect his or her ability to acquire or sell Stock or rights to Stock under the Plan during such times as the Participant is considered to have "inside information" regarding the Company (as defined by applicable laws in his or her country). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Participant acknowledges that it is his or her responsibility to comply with any applicable restrictions, and the Participant should consult his or her personal advisor on this matter.

**Foreign Asset / Account and Exchange Control Reporting Obligations.** The Participant may be subject to certain foreign asset and/or account reporting requirements and/or exchange control restrictions, reporting requirements or repatriation obligations related to the Award and participation in the Plan. Such requirements and restrictions may be triggered by the grant of the Award, the opening of a brokerage account in connection with the Plan, the acquisition of shares of Stock or dividends paid on the Stock or cash proceeds from the sale of the shares of Stock, or other activities or transactions related to the Plan. The Participant acknowledges that it is his or her responsibility to be compliant with any applicable requirements, and the Participant should consult his or her personal legal advisor with any questions about such requirements.

## **AUSTRALIA**

### **Offer Document**

The Company is pleased to provide the Participant with this offer to participate in the Plan. This offer sets out information regarding the grant of an award of performance-based restricted stock units to Australian resident employees of the Company and its Affiliates. This offer is provided by the Company to ensure compliance of the Plan with Australian Securities and Investments Commission ("**ASIC**") Class Order 14/1000 and relevant provisions of the Corporations Act 2001.

In addition to the information set out in the Agreement, the Participant is also being provided with copies of the following documents:

- (a) the Plan;
- (b) U.S. prospectus for the Plan; and
- (c) Employee Information Supplement for Australia

(collectively, the "**Additional Documents**").

The Additional Documents provide further information to help the Participant make an informed investment decision about participating in the Plan. Neither the Plan nor the U.S. prospectus for the Plan is a prospectus for the purposes of the *Corporations Act 2001*.

The Participant should not rely upon any oral statements made in relation to this offer. The Participant should rely only upon the statements contained in the Agreement and the Additional Documents when considering participation in the Plan.

### **Securities Law Notification**

Investment in Stock involves a degree of risk. Participants who elect to participate in the Plan should monitor their participation and consider all risk factors relevant to the acquisition of Stock under the Plan as set out in the Agreement and the Additional Documents.

The information contained in this offer is general information only. It is not advice or information that takes into account the Participant's objectives, financial situation and needs.

Participants should consider obtaining their own financial product advice from an independent person who is licensed by ASIC to give advice about participation in the Plan.

### **Additional Risk Factors for Australian Residents**

Participants should have regard to risk factors relevant to investment in securities generally and, in particular, to the holding of shares of Stock. For example, the price at which the Stock is quoted on the New York Stock Exchange may increase or decrease due to a number of factors. There is no guarantee that the price of the Stock will increase. Factors which may affect the price of the Stock include fluctuations in the domestic and international market for listed stocks, general economic conditions, including interest rates, inflation rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the nature of the markets in which the Company operates and general operational and business risks.

In addition, the Participant should be aware that the Australian dollar value of any Stock acquired under the Plan will be affected by the U.S. dollar/Australian dollar exchange rate. Participation in the Plan involves certain risks related to fluctuations in this rate of exchange.

### **Common Stock**

Common stock of a U.S. corporation is analogous to ordinary shares of an Australian corporation. Each holder of the Company's common stock is entitled to one vote for every share held in the Company.

Dividends may be paid on the shares of Stock out of any funds of the Company legally available for dividends at the discretion of the Board.

The shares of Stock are traded on the New York Stock Exchange in the United States of America under the symbol "ADS".

The shares of Stock are not liable to any further calls for payment of capital or for other assessment by the Company and have no sinking fund provisions, pre-emptive rights, conversion rights or redemption provisions.

### **Ascertaining the Market Price of Shares**

Participants may ascertain the current market price of the Stock as traded on the New York Stock Exchange at <http://www.nyse.com> under the symbol "ADS." The Australian dollar equivalent of that price can be obtained at: <http://www.rba.gov.au/statistics/frequency/exchange-rates.html>.

*This will not be a prediction of what the market price per share of Stock will be when the Award vests or when the shares of Stock are issued or of the applicable exchange rate on the date the shares of Stock are issued.*



## BRAZIL

**Compliance with Law.** In accepting the Award, the Participant acknowledges that he or she agrees to comply with applicable Brazilian laws and to pay any and all applicable taxes associated with the vesting settlement of the Award, the sale of the Shares acquired under the Plan and the receipt of any dividends.

**Nature of Grant.** The following provision supplements the "Nature of Grant" provision of the Appendix:

In accepting the Award, the Participant understands and agrees that (i) he or she is making an investment decision, (ii) the shares of Stock will be issued to the Participant only if the vesting conditions are met and any necessary services are rendered by the Participant over the vesting period, and (iii) the value of the underlying Stock is not fixed and may increase or decrease over the vesting period without compensation to the Participant.

## CANADA

**Nature of Grant.** The following provision replaces subsection (i) of the "Nature of Grant" provision of the Appendix:

For purposes of the Award, the Participant's employment relationship will be considered terminated as of the date that is the earlier of (i) the date of the Participant's termination, (ii) the date the Participant receives notice of termination, or (iii) the date the Participant is no longer actively providing services and will not be extended by any notice period (*e.g.*, active service would not include any contractual notice period or any period of "garden leave" or similar period mandated under Canadian laws or the terms of the Participant's employment agreement, if any); the Committee shall have the exclusive discretion to determine when the Participant is no longer actively providing service for purposes of the Restricted Stock Unit (including whether the Participant may still be considered to be providing services while on a leave of absence).

*The following provisions apply for Participants resident in Quebec:*

**Language Consent.** The parties acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

**Consentement Relatif à la Langue Utilisée.** *Les parties reconnaissent avoir expressément souhaité que la convention ["Agreement"], ainsi que tous les documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés, directement ou indirectement à la présente convention, soient rédigés en langue anglaise.*

**Data Privacy.** The following provision supplements the "Data Privacy" provision of the Appendix:

The Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Participant further authorizes the Company, any Affiliate and the administrator of the Plan to disclose and discuss the Plan with their advisors. The Participant further authorizes the Company and any Affiliate to record such information and to keep such information in the Participant's employee file.

**Securities Law Information.** The Participant acknowledges that he or she is permitted to sell the Stock acquired under the Plan through the designated broker appointed by the Company, provided the sale of the Stock takes place outside of Canada through facilities of a stock exchange on which the shares of Stock are listed (*i.e.*, the NYSE).

## FRANCE

**Award Not Tax-Qualified.** The Participant understands that the Award is not intended to be French tax-qualified.

**Language Consent.** By accepting the Agreement, the Participant confirms having read and understood the documents relating to this grant (the Plan and the Agreement) which were provided in English language. The Participant accepts the terms of those documents accordingly.

**Consentement Relatif à la Langue Utilisée.** *En acceptant le Contrat, la Participant confirme avoir lu et compris les documents relatifs à cette attribution (le Plan et le Contrat) qui ont été communiqués en langue anglaise. La Participant accepte les termes de ces documents en connaissance de cause.*

## GERMANY

No country-specific provisions apply.

## HONG KONG

**Representations and Warranties of Participant.** The following provision supplements Section 10 of the main body of the Agreement:

Any shares of Stock received at vesting are accepted by Participant as a personal investment. In the event that the Restricted Stock Units vest and shares of Stock are issued to the Participant (or the Participant's heirs) within six months of the date of grant, the Participant (or the Participant's heirs) agrees that the shares will not be offered to the public or otherwise disposed of prior to the six-month anniversary of the date of grant.

**Securities Law Information.** *WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. The Participant is advised to exercise caution in relation to the offer. If the Participant is in any doubt about any of the contents of this document, he or she should obtain independent professional advice. Neither the grant of the Restricted Stock Units nor the issuance of Stock upon vesting of the Restricted Stock Units constitutes a public offering of securities under Hong Kong law; the Restricted Stock Units and the shares of Stock are available only to employees of the Company and its Affiliates. The Agreement, including this Appendix, the Plan and other incidental communication materials distributed in connection with the Restricted Stock Units (i) have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable securities legislation in Hong Kong, and (ii) are intended only for the personal use of each eligible employee of the Company and its Affiliates and may not be distributed to any other person.*

**Data Privacy.** The following provision replaces the "Data Privacy" provision of the Appendix:

*The Participant understands that the Employer and/or the Company may hold certain personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, email address, date of birth, social security number (or any other social or national identification number), salary, nationality, job title, number of shares of stock held and the details of all Restricted Stock Units or any other entitlement to shares of stock awarded, cancelled, exercised, vested, unvested or outstanding (the "Data") for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant is aware that providing the Company with the Participant's Data is necessary for the performance of the Agreement and that the Participant's refusal to provide such Data would make it impossible for the Company to perform its contractual obligations and may affect the Participant's ability to participate in the Plan.*

*The Controller of personal data processing is Alliance Data Systems Corporation, 7500 Dallas Parkway, Plano, Texas, 75024 U.S.A., and, pursuant to D.lgs 196/2003, its representative in Italy is Brand Loyalty Italia S.p.A., Viale Tommaso Edison, 110, 20099 Sesto San Giovanni (Milano), Italy. The Participant understands that the Data may be transferred to the Company or any of its Affiliates, or to any third parties assisting in the implementation, administration and management of the Plan, including any transfer required to Fidelity with whom Stock acquired pursuant to the vesting of the Restricted Stock Units or cash from the sale of such Stock may be deposited. Furthermore, the recipients that may receive, possess, use, retain and transfer such Data for the above mentioned purposes may be located in Italy or elsewhere, including outside of the European Union and the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Participant's country. The processing activity, including the transfer of the Participant's personal data abroad, outside of the European Union, as herein specified and pursuant to applicable laws and regulations, does not require the Participant's consent thereto as the processing is necessary for the performance of contractual obligations related to the implementation, administration and management of the Plan. The Participant understands that Data processing relating to the purposes above specified shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to D.lgs. 196/2003.*

*The Participant understands that Data will be held only as long as is required by law or as necessary to implement, administer and manage the Participant's participation in the Plan. The Participant understands that pursuant to art.7 of D.lgs 196/2003, the Participant has the right, including but not limited to, access, delete, update, request the rectification of the Data and cease, for legitimate reasons, the Data processing. Furthermore, the Participant is aware that the Data will not be used for direct marketing purposes. The Data provided can be reviewed and questions or complaints can be addressed by contacting the Participant's local human resources representative.*

**Plan Document Acknowledgement.** By accepting the Restricted Stock Units, the Participant acknowledges that the Participant has received a copy of the Plan and the Agreement and has reviewed the Plan and the Agreement, including the Appendix, in their entirety and fully understands and accepts all provisions of the Plan and the Agreement, including the Appendix. The Participant further acknowledges that the Participant has read and specifically and expressly approves the following sections of the Agreement: Section 2: Restricted Stock Units Awarded; Section 3: Vesting; Section 4: Termination of Employment; Section 7: Clawback;; Section 10: Representations and Warranties of Participant; Section 11 : Responsibility for Taxes; Section 13: Notice; Section 14: Governing Law and Choice of Venue; Section 15: Electronic Transmission and Participation; Section 16: Country-Specific Provisions; and Section 17: Imposition of Other Requirements.

**INDIA**

No country-specific provisions apply.

**IRELAND**

No country-specific provisions apply.

**JAPAN**

No country-specific provisions apply.

**NETHERLANDS**

No country-specific provisions apply.

**SPAIN**

**Nature of Grant.** This provision supplements the "Nature of Grant" provision of the Appendix:

In accepting the Award, the Participant consents to participation in the Plan and acknowledges that Participant has received a copy of the Plan.

The Participant understands and agrees that, as a condition of the grant of the Award, if the Participant's employment terminates, unless otherwise provided in the Agreement or by the Company, any unvested portion of the Award shall be forfeited without entitlement to the underlying Stock or to any amount as indemnification in the event of a termination, including, but not limited to: resignation, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

The Participant understands that the Company has unilaterally, gratuitously and in its sole discretion decided to grant the Award to individuals who may be employees of the Company or an Affiliate. The decision is limited and entered into based upon the express assumption and condition that any Award will not economically or otherwise bind the Company or any Affiliate, including the Employer, on an ongoing basis, other than as expressly set forth in the Agreement. Consequently, the Participant understands that the Award is granted on the assumption and condition that the Award shall not become part of any employment or service agreement (whether with the Company or any Affiliate, including the Employer) and shall not be considered a mandatory benefit, salary for any purpose (including severance compensation) or any other right whatsoever. Furthermore, the Participant understands and freely accepts that there is no guarantee that any benefit whatsoever shall arise from the grant of the Award, which is gratuitous and discretionary, since the future value of the Award and the underlying Stock is unknown and unpredictable. The Participant also understands that the grant of the Award would not be made but for the assumptions and conditions set forth hereinabove; thus, the Participant understands, acknowledges and freely accepts that, should any or all of the assumptions be mistaken or any of the conditions not be met for any reason, the grant of the Award and any right to the underlying shares of Stock shall be null and void.

**Securities Law Information.** No "offer of securities to the public", as defined under Spanish law, has taken place or will take place in the Spanish territory with respect to the Award. No public offering prospectus has been nor will be registered with the Comisión Nacional del Mercado de Valores (Spanish Securities Exchange Commission) ("*CNMV*"). Neither the Plan nor the Agreement constitute a public offering prospectus and they have not been, nor will they be, registered with the CNMV.

#### UNITED KINGDOM

**Responsibility for Taxes.** The following supplements Section 11 of the main body of the Agreement:

If payment or withholding of the income tax due in connection with the Award is not made within ninety (90) days of the end of the U.K. tax year in which the income tax liability arises or such other period as required under U.K. law (the "*Due Date*"), the Participant agrees that the amount of any uncollected income tax shall constitute a loan owed by the Participant to the Employer, effective on the Due Date. The Participant agrees that the loan will bear interest at the then-current HMRC Official Rate, it will be immediately due and repayable, and the Company or the Employer may recover it at any time thereafter by any of the means referred to in Section 11 of the Agreement. If the Participant fails to comply with his or her obligations in connection with the income tax as described in this section, the Company may refuse to deliver the shares of Stock acquired under the Plan.

Notwithstanding the foregoing, if the Participant is a Director or executive officer of the Company (within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934), the Participant shall not be eligible for a loan from the Company to cover the income tax. In the event that the Participant is a Director or executive officer and income tax is not collected from or paid by the Participant by the Due Date, the amount of any uncollected income tax may constitute a benefit to the Participant on which additional income tax and National Insurance contributions ("*NICs*") may be payable. The Participant will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Company or the Employer for the value of any employee NICs due on this additional benefit, which the Company or the Employer may recover by any of the means referred to in Section 11 of the Agreement.