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):
November 3, 2021

ALLIANCE DATA SYSTEMS CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware	**001-15749**	**31-1429215**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3095 LOYALTY CIRCLE
COLUMBUS, Ohio 43219
(Address and Zip Code of Principal Executive Offices)

(614) 729-4000
(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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, par value $0.01 per share	ADS	NYSE

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Item 1.01. Entry into a Material Definitive Agreement

Completion of Separation of Loyalty Ventures from ADS

On November 5, 2021 (the "Distribution Date"), after the Nasdaq Global Select Market closing, the previously-announced separation (the "Separation") of Loyalty Ventures Inc. ("Loyalty Ventures") from Alliance Data Systems Corporation ("ADS") was completed. The separation of Loyalty Ventures, which comprises the LoyaltyOne segment of ADS, was achieved through ADS' distribution (the "Distribution") of 81% of the shares of Loyalty Ventures common stock to holders of ADS common stock as of the close of business on the record date of October 27, 2021 (the "Record Date"). ADS stockholders of record received one share of Loyalty Ventures common stock for every two and a half shares of ADS common stock. Following the Distribution, Loyalty Ventures became an independent, publicly-traded company and ADS retains a 19% ownership interest in Loyalty Ventures.

In connection with the Separation, ADS entered into several agreements with Loyalty Ventures on November 3, 2021 with respect to the Separation and Distribution Agreement and November 5, 2021 as to the remainder that, among other things, effect the Separation and provide a framework for Loyalty Ventures' relationship with ADS after the Separation, including the following agreements:

- A Separation and Distribution Agreement;
- A Tax Matters Agreement;
- A Transition Services Agreement;
- An Employee Matters Agreement; and
- A Registration Rights Agreement.

Separation and Distribution Agreement

The Separation and Distribution Agreement governs the overall terms of the Separation. Generally, the Separation and Distribution Agreement includes ADS' and Loyalty Ventures' agreements relating to the restructuring steps taken to complete the Separation, including the assets and rights transferred, liabilities assumed and related matters.

The Separation and Distribution Agreement provides for ADS and Loyalty Ventures to transfer specified assets between the companies that operate the LoyaltyOne segment of ADS after the Distribution, on the one hand, and ADS' remaining businesses, on the other hand. The Separation and Distribution Agreement requires ADS and Loyalty Ventures to use commercially reasonable efforts to obtain consents and approvals required to assign the assets and liabilities transferred pursuant to the Separation and Distribution Agreement.

Unless otherwise provided in the Separation and Distribution Agreement or any of the related ancillary agreements, all assets were transferred on an "as is, where is" basis. Generally, if the transfer of any assets or any claim or right or benefit arising thereunder required a consent that was not obtained before the Distribution, or if the transfer or assignment of any such asset or such claim or right or benefit arising thereunder was ineffective or adversely affected the rights of the transferor thereunder, the party retaining any asset that otherwise would have been transferred shall hold such asset in trust for the use and benefit of the party entitled thereto and retain such liability for the account of the party by whom such liability is to be assumed, and take such other action in order to place such party, insofar as reasonably possible, in the same position as would have existed had such asset or liability been transferred prior to the Distribution.

In addition, the Separation and Distribution Agreement governs the treatment of indemnification, insurance and litigation responsibility and management. Generally, the Separation and Distribution Agreement provides for uncapped cross-indemnities principally designed to place financial responsibility for the obligations and liabilities of the LoyaltyOne business with Loyalty Ventures and financial responsibility for the obligations and liabilities of ADS' retained businesses with ADS. The Separation and Distribution Agreement also establishes procedures for handling claims subject to indemnification and related matters.

Tax Matters Agreement

The Tax Matters Agreement governs ADS' and Loyalty Ventures' respective rights, responsibilities and obligations with respect to taxes, including taxes arising in the ordinary course of business, and taxes, if any, incurred as a result of the failure of the Distribution (and certain related transactions) to qualify for tax-free treatment for U.S. federal income tax purposes. The Tax Matters Agreement also sets forth the respective obligations of the parties with respect to the filing of tax returns, the administration of tax contests and assistance and cooperation on tax matters.

In general, the Tax Matters Agreement governs the rights and obligations that ADS and Loyalty Ventures have after the Separation with respect to taxes for both pre- and post-Separation periods. Under the Tax Matters Agreement, ADS generally is responsible for all of the pre-Separation taxes of Loyalty Ventures and its subsidiaries ("Loyalty Ventures Group") and is entitled to all the Loyalty Ventures Group's pre-Separation refunds, and Loyalty Ventures is generally responsible for all post-Separation taxes with respect to the Loyalty Ventures Group.

The Tax Matters Agreement further provides that:

- Loyalty Ventures generally indemnifies ADS against (i) taxes arising in the ordinary course of business for which Loyalty Ventures is responsible (as described above), (ii) any liability or damage resulting from a breach by Loyalty Ventures or any of its affiliates of a covenant or representation made in the Tax Matters Agreement and (iii) taxes resulting from the failure of the Distribution (and certain related transactions) to qualify for tax-free treatment that are attributable to certain of Loyalty Ventures' actions; and

- ADS indemnifies Loyalty Ventures against (i) taxes for which ADS is responsible under the Tax Matters Agreement (as described above) and (ii) any liability or damage resulting from a breach by ADS or any of its affiliates of a covenant or representation made in the Tax Matters Agreement.

In addition to the indemnification obligations described above, the indemnifying party is generally required to indemnify the indemnified party against any interest, penalties, additions to tax, losses, assessments, settlements or judgments arising out of or incident to the event giving rise to the indemnification obligation, along with costs incurred in any related contest or proceeding.

Further, the Tax Matters Agreement generally prohibits Loyalty Ventures and Loyalty Ventures' affiliates from taking certain actions that could cause the Separation and certain related transactions to fail to qualify for their intended tax treatment, including during the two-year period following the date of the Distribution:

- Discontinuing the active conduct of Loyalty Ventures' trade or business;
- Issuance or sale of stock or other securities (including securities convertible into Loyalty Ventures stock but excluding certain compensatory arrangements);
- Causing or permitting certain business combination transactions to occur;
- Amending Loyalty Ventures' certificate of incorporation (or other organizational documents) or taking any other action, whether through a stockholder vote or otherwise, affecting the voting rights of Loyalty Ventures' common stock; and
- Entering into certain corporate transactions that could jeopardize the tax-free treatment of the Distribution.

In the event that the Separation and certain related transactions fail to qualify for their intended tax treatment, in whole or in part, and ADS is subject to tax as a result of such failure, the Tax Matters Agreement will determine whether ADS must be indemnified for any such tax by Loyalty Ventures. As a general matter, under the terms of the Tax Matters Agreement, Loyalty Ventures is required to indemnify ADS for any tax-related losses in connection with the Separation due to any action by Loyalty Ventures or any of Loyalty Ventures' subsidiaries following the Separation. Therefore, in the event that the Separation and/or related transactions fail to qualify for their intended tax treatment due to any action by Loyalty Ventures or any of Loyalty Ventures' subsidiaries, Loyalty Ventures will generally be required to indemnify ADS for the resulting taxes.

Transition Services Agreement

The Transition Services Agreement sets forth the terms on which each of Loyalty Ventures and ADS will provide certain historically shared services to the other, on a transitional basis. Transition services will include various corporate, administrative and information technology services. Both parties are obligated, subject to certain customary exceptions, to provide such services ("TSA Services") in substantially the same manner as such services have been provided during the 12-month period prior to the distribution. Subject to certain conditions, and upon the mutual agreement of the parties, certain additional TSA Services may be included under the agreement. The service provider is obligated to use its reasonable best efforts to obtain any third-party consents necessary to provide the TSA Services, and shall bear the one-time costs of obtaining any such required consents.

The terms for which such TSA Services must be provided vary on a service-by-service basis, generally ranging from three months to two years. Subject to certain conditions, the term of certain TSA Services may be extended (up to a certain maximum duration) upon the service recipient's request and the service recipient may terminate certain of the TSA Services, or any portion thereof, upon 60 days' prior written notice to the service provider. The TSA Service agreement may be terminated by either party in the event of an uncured material breach of the other party or if the other party becomes subject to certain insolvency events.

The fees for such TSA Services also vary on a service-by-service basis, and or certain TSA services include both a service fee and a FTE fee. Additionally, the service recipient is obligated to pay certain service recipient-funded payments. Each party shall indemnify the other party for claims arising from gross negligence, fraud or willful misconduct. Subject to certain customary exceptions, each party's liability is capped at the amount of fees actually paid by the other party as service recipient under the agreement.

Employee Matters Agreement

The Employee Matters Agreement governs each of ADS and Loyalty Ventures' respective compensation and benefit obligations with respect to current and former employees, directors and consultants. The Employee Matters Agreement sets forth general principles relating to employee matters in connection with the Separation, such as the assignment of employees, the assumption and retention of liabilities and related assets, expense reimbursements, workers' compensation, leaves of absence, the provision of comparable benefits, employee service credit, the sharing of employee information and duplication or acceleration of benefits.

The Employee Matters Agreement generally allocates liabilities and responsibilities relating to employment, compensation and benefits-related matters, with (i) ADS generally retaining liabilities (both pre- and post-Distribution) and responsibilities with respect to (a) ADS employees and participants who will remain with (or who will otherwise transfer to) ADS and former employees who were last actively employed by ADS primarily in its business and (b) benefit plans and programs sponsored by ADS and (ii) Loyalty Ventures generally assuming liabilities (both pre- and post-Distribution) and responsibilities with respect to (a) employees and participants who will transfer with or be hired by Loyalty Ventures in connection with the Separation and former employees who were last actively employed primarily with Loyalty Ventures and (b) benefit plans and programs sponsored by Loyalty Ventures. The Employee Matters Agreement provides that, , subject to the terms of the Transition Services Agreement, following the Distribution, Loyalty Ventures active employees generally will no longer participate in benefit plans sponsored or maintained by ADS and will commence participation in Loyalty Ventures benefit plans.

In addition, during the period beginning on the Distribution and ending on the date that the Transition Services Agreement is terminated, each of ADS and Loyalty Ventures will be subject to mutual no-hire and non-solicit restrictions, subject to certain exceptions set forth in the Employee Matters Agreement.

Effective on or prior to the Distribution, except as otherwise expressly provided in the Employee Matters Agreement, the Transition Services Agreement or otherwise agreed between ADS and Loyalty Ventures, the employment of each non-U.S. Loyalty Ventures employee will be continued by Loyalty Ventures and each U.S. Loyalty Ventures employee will, immediately following the Distribution, terminate employment with ADS and immediately commence employment with Loyalty Ventures or one of its subsidiaries, and Loyalty Ventures or one of its subsidiaries will generally assume responsibility for any individual employment, retention, severance or similar agreements applicable to such Loyalty Ventures employee. Any employees who transfer to or are hired by Loyalty Ventures following the Distribution Date (including in connection with any transition services) will be deemed a Loyalty Ventures employee as of the date of such transfer or hire, and any employees who transfer from Loyalty Ventures to ADS following the Distribution (including in connection with any transition services) will be deemed an ADS employee as of the date of such transfer.

Each Loyalty Ventures employee participating in a cash bonus plan maintained by ADS in respect of the 2021 fiscal year will be credited with service for any time the Loyalty Ventures employee provided services to ADS between January 1, 2021 and the Distribution, subject to the terms of the applicable bonus plan and actual achievement of applicable performance goals determined as of the end of the performance period. The actual fiscal year 2021 cash bonuses payable to Loyalty Ventures employees will be paid by Loyalty Ventures in accordance with the terms of the applicable ADS cash bonus plan, and ADS will reimburse Loyalty Ventures for the aggregate cost of the fiscal year 2021 bonuses in respect of the period beginning on January 1, 2021 and ending on the Distribution paid by Loyalty Ventures to Loyalty Ventures employees.

The Employee Matters Agreement also sets forth the treatment of any outstanding equity awards. Specifically, in connection with the Separation, (i) outstanding ADS equity awards held by individuals who will continue to be employed by or provide services to ADS employees will be equitably adjusted to reflect the difference in the value of ADS common stock before and after the Distribution in a manner that is intended to preserve the overall intrinsic value of the awards by taking into account the relative value of ADS common stock before and after the Distribution, and (ii) outstanding Loyalty Ventures equity awards held by individuals who are then-currently employed by or otherwise providing services to Loyalty Ventures, or whose employment or engagement will be transferred to or will commence with Loyalty Ventures in connection with the Separation, will (i) to the extent granted more than one year prior to the date of record, immediately vest and be settled in shares of ADS common stock and (ii) to the extent granted less than one year prior to the Distribution Date be forfeited and, as soon as reasonably practicable following the Distribution be replaced with a combination of new equity and cash awards and a cash payment, in each case in accordance with the terms of the Employee Matters Agreement in a manner intended to equitably preserve the overall intrinsic value of the ADS equity awards by taking into account the relative value of ADS common stock before the Distribution and the value of Loyalty Ventures common stock after the Distribution.

The Employee Matters Agreement also provides that the Distribution does not constitute a change in control under ADS' or Loyalty Ventures' plans, programs, agreements or arrangements.

Registration Rights Agreement

The Registration Rights Agreement provides ADS with certain customary demand registration, shelf takedown and piggyback registration rights with respect to its shares of Loyalty Ventures' common stock, subject to certain customary limitations.

Item 1.02. Termination of a Material Definitive Agreement

The description of the Separation included under Item 1.01 of this Current Report on Form 8-K and the Separation and Distribution Agreement attached as Exhibit 2.1 to this Current Report on Form 8-K are incorporated by reference in this Item 1.02

Termination of BrandLoyalty Credit Agreement

On November 3, 2021, in connection with the Separation, Loyalty Ventures, as borrower, entered into a senior secured credit agreement (the "Loyalty Ventures Credit Agreement") with certain subsidiaries, as additional borrowers, and certain other subsidiaries, as guarantors, Bank of America, N.A., as administrative agent and collateral agent, and the lenders party thereto. The Loyalty Ventures Credit Agreement is described in more detail in the Current Report on Form 8-K filed by Loyalty Ventures with the SEC on November 4, 2021.

On November 3, 2021, in connection with the Separation and with Loyalty Ventures' entry into the Loyalty Ventures Credit Agreement, (i) that certain Secured Facilities Agreement, dated as of April 3, 2020 (the "BrandLoyalty Credit Agreement"), by and among Brand Loyalty Group B.V., as borrower, certain of its subsidiaries parties thereto, as additional borrowers or guarantors, as applicable, Deutsche Bank AG, Amsterdam Branch (as Arranger) and Coöperatieve Rabobank U.A. (as Arranger, Agent and Security Agent), and other lenders party thereto was terminated, and (ii) the security interests securing the obligations thereunder were fully discharged and released.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On the Distribution Date, ADS completed the previously-announced separation of Loyalty Ventures. Effective as of 11:59 p.m. Eastern Time on the Distribution Date, the common stock of Loyalty Ventures was distributed, on a pro rata basis, to ADS' stockholders of record as of the close of business on the Record Date. On the Distribution Date, each of the stockholders of ADS received one share of Loyalty Ventures' common stock for every two and a half shares of ADS' common stock held by such stockholder on the Record Date. Fractional shares of Loyalty Ventures common stock were not delivered in the Distribution. Any fractional share of Loyalty Ventures common stock otherwise issuable to an ADS stockholder was sold in the open market on such stockholder's behalf, and such stockholder will receive a cash payment for the fractional share based on the stockholder's pro rata portion of the net cash proceeds from sales of all fractional shares.

The Separation was completed pursuant to the Separation and Distribution Agreement. The description of the Separation included under Item 1.01 of this Current Report on Form 8-K and the Separation and Distribution Agreement attached as Exhibit 2.1 to this Current Report on Form 8-K are incorporated by reference in this Item 2.01.

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

Appointment of Principal Accounting Officer

On November 5, 2021, the Board of Directors of ADS appointed J. Bryan Campbell as Senior Vice President and Chief Accounting Officer of ADS, effective November 8, 2021. In this capacity, Mr. Campbell will be ADS' principal accounting officer.

Mr. Campbell joins ADS from American Express Company, where he served in numerous roles from 2007 until joining ADS, including serving as Vice President of Finance within the Controllership Leadership since February 2017, as Vice President of Finance – Head of External Reporting from March 2015 to February 2017 and before that in various roles of increasing responsibility. Prior to American Express, Mr. Campbell served as Assistant Controller at General Electric Company from 2006 to 2007 and held various roles at Credit Suisse, Deloitte and KPMG from 1995 to 2006.

Mr. Campbell will receive an annual base salary of $400,000 and participate in ADS' non-equity incentive plan and long-term equity inventive plan, each as described in in ADS' Definitive Proxy Statement for the 2021 Annual Meeting of Stockholders, filed on Schedule 14A with the Securities and Exchange Commission on April 14, 2021. For 2022, Mr. Campbell's annual equity award under ADS' long-term equity incentive plan will be in the form of time-based restricted stock units to be granted in February 2022, having a grant date fair value of $450,000 and vesting annually over three years, beginning in 2023, and the target amount for non-equity incentive plan compensation for Mr. Campbell will be 60% of base salary. Further, in recognition of earned compensation forfeited upon termination of Mr. Campbell's prior employment, Mr. Campbell was offered a make-whole consisting of (i) a $150,000 grant of time-based restricted stock units, to be granted in February 2022 and vesting over three years, and (ii) a $750,000 cash payment, with half of such amount payable within 30 days of Mr. Campbell's start date and the remainder to be paid in February 2022.

Other than with respect to the compensation matters described above, there are no arrangements or understandings between Mr. Campbell and any other persons pursuant to which Mr. Campbell was appointed as ADS' Senior Vice President and Chief Accounting Officer. There are no family relationships between Mr. Campbell and any director or executive officer of ADS, and Mr. Campbell has no direct or indirect interest in any transaction or proposed transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Mr. Campbell will succeed Laura Santillan, who, in connection with the Separation, has become Senior Vice President and Chief Accounting Officer of Loyalty Ventures.

Item 8.01. Other Events.

On November 8, 2021, ADS issued a press release announcing the completion of the Separation. The full text of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference in this Item 8.01.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
* 2.1	Separation and Distribution Agreement between Alliance Data Systems Corporation and Loyalty Ventures Inc., dated November 3, 2021.
* 10.1	Transition Services Agreement between Alliance Data Systems Corporation and Loyalty Ventures Inc., dated November 5, 2021.
* 10.2	Tax Matters Agreement between Alliance Data Systems Corporation and Loyalty Ventures Inc., dated November 5, 2021.
* 10.3	Employee Matters Agreement between Alliance Data Systems Corporation and Loyalty Ventures Inc., dated November 5, 2021.
10.4	Registration Rights Agreement between Alliance Data Systems Corporation and Loyalty Ventures Inc., dated November 5, 2021.
99.1	Press release issued by Alliance Data Systems Corporation dated November 8, 2021, announcing the completion of the Separation.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* Certain exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. ADS hereby undertakes to furnish supplementally copies of any of the omitted exhibits upon request by the U.S. Securities and Exchange Commission.

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: November 8, 2021

By: /s/ Joseph L. Motes III
Joseph L. Motes III
Executive Vice President, Chief Administrative Officer, General Counsel and Secretary

Exhibit 2.1

SEPARATION AND DISTRIBUTION AGREEMENT

by and between

ALLIANCE DATA SYSTEMS CORPORATION

and

LOYALTY VENTURES INC.

Dated as of November 3, 2021

SEPARATION AND DISTRIBUTION AGREEMENT

SEPARATION AND DISTRIBUTION AGREEMENT dated as of November 3, 2021 (as the same may be amended from time to time in accordance with its terms and together with the schedules and exhibits hereto, this "**Agreement**") between Alliance Data Systems Corporation, a Delaware corporation ("**ADS**"), and Loyalty Ventures Inc., a Delaware corporation ("**Loyalty Ventures**").

W I T N E S S E T H:

WHEREAS, the Board of Directors of ADS has determined that it is in the best interests of ADS and its stockholders to separate the LoyaltyOne Business and the Loyalty Ventures Group formed by the Contribution from the ADS Business;

WHEREAS, Loyalty Ventures is a wholly owned Subsidiary of ADS that has been incorporated for the sole purpose of, and has not engaged in activities except in preparation for, the Distribution and the transactions contemplated by this Agreement;

WHEREAS, in furtherance of the foregoing, the Board of Directors of ADS has determined that it is in the best interests of ADS and its stockholders to distribute to the holders of the issued and outstanding shares of common stock, par value $0.01 per share, of ADS (the "**ADS Common Stock**") as of the Record Date, by means of a *pro rata* dividend, 81% of the issued and outstanding shares of common stock, par value $0.01 per share, of Loyalty Ventures (the "**Loyalty Ventures Common Stock**" and 19% of the Loyalty Ventures Common Stock retained by ADS, the "**Retained Loyalty Ventures Common Stock**, on the basis of one share of Loyalty Ventures Common Stock for every two and one-half (2.5) then issued and outstanding shares of ADS Common Stock (the "**Distribution**");

WHEREAS, ADS and Loyalty Ventures have prepared, and Loyalty Ventures has filed with the Commission, the Form 10, which includes the Information Statement, and which sets forth appropriate disclosure concerning Loyalty Ventures and the Distribution, and the Form 10 has become effective under the Exchange Act;

WHEREAS, the Distribution will be preceded by, among other things, the Restructuring, pursuant to which, among other things, (a) Loyalty Ventures will enter into the Loyalty Ventures Financing Arrangements and (b) all of the stock of the Loyalty Ventures First-Tier Subsidiaries will be contributed by Alliance Data International, LLC ("**ADILC**"), a Subsidiary of ADS, to Loyalty Ventures in exchange for Loyalty Ventures Common Stock and certain proceeds of the Loyalty Ventures Financing Arrangements (such proceeds, the "**Cash Proceeds**," and such contribution, (the "**Contribution**");

WHEREAS, (i) ADS may transfer all or a portion of the Retained Loyalty Ventures Common Stock to one or more of ADS' creditors in exchange for ADS' indebtedness (the "**Equity-for-Debt Exchange**") and (ii) to the extent contemplated by the PLR Request, will transfer the Cash Proceeds to one or more ADS creditors (the "**Boot Purge**"), in each case, in connection with the Contribution and Distribution;

WHEREAS, for United States federal and state income tax purposes, it is intended that (i) the Contribution and the Distribution, taken together, qualify as a "reorganization" within the meaning of Section 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the "**Code**"), (ii) the Distribution qualify as a tax-free transaction under Sections 355(a) and 361(c) of the Code (in each case, qualifying for such treatment under the corresponding provisions of state law), (iii) the Equity-for-Debt Exchange qualify as a transfer of "qualified property" to ADS' creditors in connection with the reorganization described in clause (i) for purposes of Section 361(c) of the Code, and (iv) the Boot Purge qualify as money distributed to ADS' creditors in connection with the reorganization described in clause (i) for purposes of Section 361(b) of the Code, and it is a condition to the Distribution that ADS will have obtained the PLR and the Tax Opinion as contemplated by Section 3.01(a)(viii);

WHEREAS, this Agreement, together with the Ancillary Agreements and other documents implementing the Contribution, Distribution, Equity-for-Debt Exchange and Boot Purge, is intended to be, and is hereby adopted as, a "plan of reorganization" within the meaning of Treas. Reg. Section 1.368-2(g); and

WHEREAS, the parties hereto have determined to set forth the principal actions required to effect the Distribution and to set forth certain agreements that will govern the relationship between those parties following the Distribution.

ACCORDINGLY, in consideration of the mutual covenants contained in this Agreement, the parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Definitions.* (a) As used in this Agreement, the following terms have the following meanings:

"**Action**" means any demand, claim, suit, action, arbitration, inquiry, investigation or other proceeding by or before any Governmental Authority or any arbitration or mediation tribunal.

"**ADS Assets**" means all assets, of whatever sort, nature or description, of ADS or any of its Subsidiaries (including any member of the Loyalty Ventures Group) other than the Loyalty Ventures Assets, including, for the avoidance of

doubt, the assets set forth on Schedule 1.01(a), *provided* that, notwithstanding the foregoing, the ADS Assets shall not include any Tax assets, which shall be governed by the Tax Matters Agreement.

"**ADS Business**" means all of the businesses conducted by ADS and its Subsidiaries from time to time, whether before, on or after the Distribution, other than the LoyaltyOne Business and any Loyalty Ventures Former Business. For the avoidance of doubt, the Loyalty Ventures Assets (and all assets and properties owned, directly or indirectly, by entities forming all or part of such assets, to the extent primarily used or primarily held for use in the LoyaltyOne Business) will not be considered part of the ADS Business.

"**ADS Former Business**" means the Former Businesses previously owned, in whole or in part, or previously operated, in whole or in part, by ADS or any of its Subsidiaries and, as determined by ADS in its sole discretion, primarily related to the ADS Business or that would have comprised part of the ADS Business had they not been terminated, divested or discontinued prior to the Distribution Time, including the Former Business set forth on Schedule 1.01(b), but excluding, for the avoidance of doubt, the Loyalty Ventures Former Businesses.

"**ADS Group**" means ADS and its Subsidiaries (other than any member of the Loyalty Ventures Group) and, where applicable, the ADS Former Businesses, including all predecessors and successors to such Persons (excluding, for the avoidance of doubt, all Loyalty Ventures Former Businesses).

"**ADS Liabilities**" means (without duplication) all of the following (as determined by ADS in its sole discretion):

(a) all Liabilities solely to the extent relating to, arising out of or in connection with or resulting from the ADS Business or the business and operation of the ADS Assets, as currently or formerly operated (including as conducted or operated by any predecessor of any member of the ADS Group, including those Liabilities set forth as "ADS Liabilities" on Schedule 1.01(c);

(b) all Liabilities of the ADS Group and/or the Loyalty Ventures Group to the extent relating to, arising out of or in connection with or resulting from any ADS Former Business or any disposition thereof; and

(c) all Liabilities that are expressly contemplated by this Agreement or any other Ancillary Agreement as Liabilities to be retained or assumed by ADS or any other member of the ADS Group, and all agreements, obligations and other Liabilities of ADS or any member of the ADS Group under this Agreement or any of the other Ancillary Agreements;

provided that, notwithstanding the foregoing, the ADS Liabilities shall not include (i) any Liabilities for Taxes, which shall be governed by the Tax Matters

Agreement or (ii) any Liabilities for the employment, employee benefits and employee compensation matters expressly covered by the Employee Matters Agreement, all of which shall be governed by the Employee Matters Agreement.

"**ADS Names and Marks**" means any and all Trademarks of ADS or any of its Affiliates (other than any Trademark included in the Loyalty Ventures Assets), including, for the avoidance of doubt, any that use, contain or include "ADS" or "Alliance Data", in each case either alone or in combination with other words, phrases or logos, and any and all Trademarks derived therefrom or confusingly similar thereto.

"**ADS Participants**" has the meaning set forth in the Employee Matters Agreement.

"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such other Person. For the purposes of this definition, "**control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or other interests, by Contract or otherwise, and the terms "**controlling**" and "**controlled**" have meanings correlative to the foregoing. Notwithstanding any provision of this Agreement to the contrary (except where the relevant provision states explicitly to the contrary), no member of the ADS Group, on the one hand, and no member of the Loyalty Ventures Group, on the other hand, shall be deemed to be an Affiliate of the other.

"**Ancillary Agreement**" means each of the Tax Matters Agreement, the Transition Services Agreement, the Employee Matters Agreement, the Restructuring Agreements and any other agreements, instruments, or certificates related thereto or to the transactions contemplated by this Agreement (in each case, together with the schedules, exhibits, annexes and other attachments thereto).

"**Applicable Law**" means, with respect to any Person, any federal, state, county, municipal, local, multinational or foreign statute, treaty, law, common law, ordinance, rule, regulation, order, writ, injunction, judicial decision, decree, permit or other legally binding requirement of any Governmental Authority applicable to such Person or any of its respective properties, assets, officers, directors, employees, consultants or agents (in connection with such officer's, director's, employee's, consultant's or agent's activities on behalf of such Person).

"**Business**" means, with respect to the ADS Group, the ADS Business and, with respect to the Loyalty Ventures Group, the LoyaltyOne Business.

"**Business Day**" means any day, other than Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by Applicable Law to close.

"**Cash and Cash Equivalents**" means cash or cash equivalents, certificates of deposit, banker's acceptances and other investment securities of any form with an original maturity of three months or less.

"**Commercial Data**" means any and all data and information relating to an identified or identifiable Person (whether the information is accurate or not), alone or in combination with other information, which Person is or was an actual or prospective customer of, or consumer of products or services offered by, the LoyaltyOne Business and/or ADS Business, as applicable.

"**Commission**" means the United States Securities and Exchange Commission.

"**Confidential Information**" means, with respect to a Group, (i) any proprietary information that is competitively sensitive, material or otherwise of value to the members of such Group and not generally known to the public, including business plan or product planning information, strategies, financial information, information regarding operations, consumer and/or customer relationships, consumer and/or customer profiles, sales estimates, internal performance results relating to the past, present or future business activities of the members of such Group and the consumers, customers, clients and suppliers of the members of such Group, and information relating to filings, plans, correspondence or relationships with regulators, (ii) any proprietary scientific or technical information, design, invention, process, procedure, formula, or improvement that is commercially valuable and secret in the sense that its confidentiality affords any member of such Group a competitive advantage over its competitors and (iii) all confidential or proprietary concepts, documentation, reports, data, specifications, computer software, source code, object code, flow charts, databases, inventions, information, and trade secrets, in the case of each of clauses (i), (ii) and (iii) of this definition, that are related primarily to such Group's Business; *provided* that to the extent both the ADS Business and the LoyaltyOne Business use or rely upon any of the information described in any of the foregoing clauses (i), (ii) and/or (iii), subject to Section 4.07, such information shall be deemed the Confidential Information of both the ADS Group and the Loyalty Ventures Group.

"**Contract**" means any written or oral commitment, contract, subcontract, agreement, lease, sublease, license, sublicense, understanding, sales order, purchase order, instrument, indenture, note or any other legally binding commitment or undertaking.

"**Distribution Agent**" means Computershare Trust Company, N.A.

"**Distribution Date**" means November 5, 2021.

"**Distribution Documents**" means this Agreement and the Ancillary Agreements.

"**Distribution Time**" means the time at which the Distribution is effective on the Distribution Date, which shall be deemed to be 11:59 p.m., Eastern Daylight Time, on the Distribution Date.

"**Employee Matters Agreement**" means the Employee Matters Agreement dated as of the date hereof between ADS and Loyalty Ventures substantially in the form of Exhibit A, as such agreement may be amended from time to time in accordance with its terms.

"**Equity Compensation Registration Statement**" means the Registration Statement on Form S-8 or such other form or forms as may be appropriate, as amended and supplemented, including all documents incorporated by reference therein, to effect the registration under the Securities Act of Loyalty Ventures Common Stock subject to certain equity awards granted to current and former officers, employees, directors and consultants of the ADS Group to be assumed or replaced by Loyalty Ventures pursuant to the Employee Matters Agreement.

"**Escheat Payment**" means any payment required to be made to a Governmental Authority pursuant to an abandoned property, escheat or similar law.

"**Exchange Act**" means the Securities Exchange Act of 1934.

"**Form 10**" means the registration statement on Form 10 filed by Loyalty Ventures with the Commission to effect the registration of Loyalty Ventures Common Stock pursuant to the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time.

"**Former Business**" means any corporation, partnership, entity, division, business unit, business or set of business operations that has been sold, conveyed, assigned, transferred or otherwise disposed of or divested (other than solely in connection with the Restructuring), in whole or in part, or the operations, activities or production of which has been discontinued, abandoned, liquidated, completed or otherwise terminated, in whole or in part, in each case, by either Group prior to the Distribution Time.

"**Governmental Authority**" means any multinational, foreign, federal, state, local or other governmental, statutory or administrative authority, regulatory body or commission or any court, tribunal or judicial or arbitral authority which has any jurisdiction or control over either party (or any of their Affiliates).

"**Group**" means, as the context requires, the Loyalty Ventures Group, the ADS Group or either or both of them.

"**Indemnitees**" means, as the context requires, the ADS Indemnitees or the Loyalty Ventures Indemnitees.

"**Information Statement**" means the Information Statement to be sent to each holder of ADS Common Stock in connection with the Distribution.

"**Intellectual Property**" means any and all intellectual property throughout the world, including any and all U.S. and foreign (i) patents, invention disclosures, and all related continuations, continuations-in-part, divisionals, provisionals, renewals, reissues, re-examinations, additions, extensions (including all supplementary protection certificates), and all applications and registrations therefor (collectively, "**Patent Rights**"), (ii) trademarks, service marks, names, corporate names, trade names, domain names, social media identifiers, logos, slogans, trade dress, design rights, and other similar business identifiers or designations of source or origin and all applications and registrations therefor, together with the goodwill symbolized by any of the foregoing (collectively, "**Trademarks**"), (iii) copyrights, works of authorship and copyrightable subject matter and all applications and registrations therefor, (iv) trade secrets, know-how, confidential data and information, technical information, including practices, techniques, methods, processes, inventions, developments, specifications, formulations, structures, analytical and quality control information and procedures, studies and procedures and regulatory information, (v) computer software (including source code, object code, firmware, operating systems and specifications), (vi) databases and data collections and (vii) all rights to sue or recover and retain damages and costs and attorneys' fees for the past, present or future infringement, misappropriation or other violation of any of the foregoing.

"**Intended Tax Treatment**" has the meaning set forth in the Tax Matters Agreement.

"**IRS**" means the Internal Revenue Service.

"**IT Assets**" means computers, software, firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines, and all other information technology assets or other equipment storing or processing information, including all associated documentation related to any of the foregoing.

"**LoyaltyOne Business**" means the businesses and operations of the ADS LoyaltyOne segment, in each case as more fully described in the Form 10 and the Information Statement.

"**Loyalty Ventures Assets**" means, except as expressly otherwise contemplated in this Agreement or any Ancillary Agreement, the following assets of ADS and its Subsidiaries (as determined by ADS in its sole discretion):

(a) all interests of whatever nature in the real property listed on Schedule 1.01(d), together with all buildings, fixtures and improvements erected thereon (the "**Loyalty Ventures Facilities**");

(b) all interests in personal property, fixtures, machinery, furniture, office equipment, automobiles, motor vehicles and other transportation equipment, special and general tools, test devices, prototypes and models, and other tangible personal property (other than any Intellectual Property) located at the Loyalty Ventures Facilities or primarily used or primarily held for use by the Loyalty Ventures Group;

(c) all inventories of materials, supplies, goods in transit, customer returns, and work-in-process and finished goods and products, in each case of whatever kind, nature or description, in each case solely to the extent primarily related to or primarily used or primarily held for use by the Loyalty Ventures Group;

(d) all interests in any capital stock or other equity securities or interests of or in any member of the Loyalty Ventures Group;

(e) all deposits, letters of credit, and performance and surety bonds, in each case solely to the extent primarily related to or primarily used or primarily held for use by the Loyalty Ventures Group;

(f) all prepaid expenses, trade accounts, and other accounts and notes receivable, in each case solely to the extent primarily related to or primarily used or primarily held for use by the Loyalty Ventures Group;

(g) the Patent Rights and all other Intellectual Property (other than Patent Rights) owned by the Loyalty Ventures Group and primarily used in connection with the LoyaltyOne Business (other than any Trademarks that use, contain or include "ADS" or "Alliance Data", either alone or in combination with other words, phrases or logos), including, for the avoidance of doubt, such other Intellectual Property listed on Schedule 1.01(e);

(h) all IT Assets solely to the extent exclusively related to or exclusively used or exclusively held for use by the Loyalty Ventures Group (other than the IT Assets set forth on Schedule 1.01(f));

(i) all Contracts (including Contracts related to Intellectual Property and IT Assets) and any rights thereunder, in each case solely to the extent primarily related to or primarily used or primarily held for use by the Loyalty Ventures Group, including, for the avoidance of doubt, the Contracts set forth on Schedule 1.01(g);

(j) all claims, causes of action and similar rights, whether accrued or contingent, in each case solely to the extent primarily related to the LoyaltyOne Business or the Loyalty Ventures Group;

(k) all employee Contracts with any Loyalty Ventures Participants, including the right thereunder to restrict any Loyalty Ventures Participant from competing in certain respects;

(l) all Permits primarily related to or primarily used or primarily held for use by the Loyalty Ventures Group in connection with the LoyaltyOne Business;

(m) Cash and Cash Equivalents solely to the extent (i) located at the Loyalty Ventures Facilities or (ii) primarily related to or primarily used or primarily held for use by the Loyalty Ventures Group in connection with the LoyaltyOne Business;

(n) subject to the foregoing clause (m), all bank accounts, lock boxes and other deposit arrangements, and all brokerage accounts, in each case solely to the extent (i) located at the Loyalty Ventures Facilities or (ii) primarily related to or primarily used or primarily held for use by the Loyalty Ventures Group or in connection with the LoyaltyOne Business, including, for the avoidance of doubt the Redemption Settlement Assets;

(o) all accounting and other legal and business books, records, minute books, corporate documents, ledgers and files and all personnel records, in each case, whether printed, electronic, contained on storage media or written, or in any other form, in each case solely to the extent primarily related to or primarily used or primarily held for use by the Loyalty Ventures Group or in connection with the LoyaltyOne Business;

(p) (x) all Confidential Information, except for any confidential supervisory information (including confidential supervisory information as identified in 12 C.F.R. § 309.5(g)(8)) of a U.S. federal or state Governmental Authority or any information the disclosure of which by ADS is prohibited by Applicable Law, (y) all cost information, sales and pricing data, supplier records, supplier lists, vendor data, customer data, correspondence and lists, and (z) all product data and literature, brochures, marketing and sales literature, advertising catalogues, photographs, display materials, media materials, packaging materials, artwork, designs, formulations and specifications, quality records and reports (other than any Intellectual Property in any of the foregoing and excluding any Commercial Data), in each case solely to the extent primarily related to or primarily used or primarily held for use by the Loyalty Ventures Group or in connection with the LoyaltyOne Business;

(q) all Commercial Data to the extent exclusively related to or exclusively used or exclusively held for use by the Loyalty Ventures Group or in connection with the LoyaltyOne Business;

(r) all goodwill associated with the LoyaltyOne Business, the Loyalty Ventures Group or the Loyalty Ventures Assets; and

(s) any other assets, of whatever sort, nature or description, that are exclusively related to or exclusively used or exclusively held for use by the Loyalty Ventures Group or in connection with the LoyaltyOne Business and any assets correctly reflected on the books and records of any member of the Loyalty Ventures Group, including, but not limited to, the assets set forth on Schedule 1.01(h);

provided that, notwithstanding the foregoing, the Loyalty Ventures Assets shall not include any Tax assets, which shall be governed by the Tax Matters Agreement.

"**Loyalty Ventures Financing Arrangements**" means that certain senior secured credit agreement by and among Loyalty Ventures, as borrower, certain subsidiaries of Loyalty Ventures, as additional borrowers, and certain other subsidiaries of Loyalty Ventures, as guarantors, Bank of America, N.A., as administrative agent and collateral agent, and the lenders party thereto, providing for $825 million in aggregate principal amount of senior credit facilities, consisting of a $175 million term loan A facility, a $500 million term loan B facility and a revolving credit facility in the maximum amount of $150 million.

"**Loyalty Ventures First-Tier Subsidiaries**" means each of ADI Crown Helix Limited and LVI Lux Holdings S.àr.l.

"**Loyalty Ventures Former Business**" means each Former Business previously owned, in whole or in part, or previously operated, in whole or in part, by ADS or any of its Subsidiaries and, as determined by ADS and in its sole discretion, primarily related to the LoyaltyOne Business or that would have comprised part of the Loyalty Ventures Group or the LoyaltyOne Business had such Former Business not been terminated, divested or discontinued prior to the Distribution Time, including the Former Businesses set forth on Schedule 1.01(b), but excluding, for the avoidance of doubt, all ADS Former Businesses.

"**Loyalty Ventures Group**" means Loyalty Ventures and its Subsidiaries as set forth on Schedule 1.01(i), including all predecessors and successors to such Persons.

"**Loyalty Ventures Liabilities**" means (without duplication) all of the following (as determined by ADS in its sole discretion):

(a) any and all Liabilities to the extent relating to, arising out of or in connection with or resulting from the LoyaltyOne Business, the business and operation of the Loyalty Ventures Assets, as currently or formerly operated (including as conducted or operated by any predecessor of any member of the ADS Group or the Loyalty Ventures Group), including the following Liabilities:

(i) all Liabilities relating to, arising out of or in connection with or resulting from the Loyalty Ventures Financing Arrangements;

(ii) all Liabilities set forth as "Loyalty Ventures Liabilities" on Schedule 1.01(c);

(b) all Liabilities of the ADS Group and/or the Loyalty Ventures Group to the extent relating to, arising out of or in connection with or resulting from any Loyalty Ventures Former Business or any disposition thereof; and

(c) all Liabilities that are expressly contemplated by this Agreement or any other Ancillary Agreement as Liabilities to be retained or assumed by Loyalty Ventures or any other member of the Loyalty Ventures Group, and all agreements, obligations and other Liabilities of Loyalty Ventures or any member of the Loyalty Ventures Group under this Agreement or any of the other Ancillary Agreements;

provided that, notwithstanding the foregoing, the Loyalty Ventures Liabilities shall not include (i) any Liabilities for Taxes, which shall be governed by the Tax Matters Agreement or (ii) any Liabilities for the employment, employee benefits and employee compensation matters expressly covered by the Employee Matters Agreement, all of which shall be governed by the Employee Matters Agreement.

"**Loyalty Ventures Participants**" has the meaning set forth in the Employee Matters Agreement.

"**Liabilities**" means any and all Claims, debts, liabilities, damages and/or obligations (including, but not limited to, any Escheat Payment) of any kind, character or description, whether absolute or contingent, matured or not matured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, including all costs and expenses (including attorneys' fees and expenses and associated investigation costs) relating thereto, and including those Claims, debts, liabilities, damages and/or obligations arising under this Agreement, any Applicable Law, any Action or threatened Action, any order or consent decree of any Governmental Authority or any award of any arbitrator of any kind, and those arising under any agreement, commitment or undertaking, including in connection with the enforcement of rights hereunder or thereunder.

"**Nasdaq**" means The Nasdaq Stock Market LLC.

"**Permit**" means any license, permit, approval, consent, certification, franchise, registration or authorization which has been issued by or obtained from any Governmental Authority.

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Authority.

"**PLR**" means the private letter ruling and any supplements thereto issued by the IRS to ADS prior to and in connection with the Contribution, Distribution Equity-for-Debt Exchange, Boot Purge and any related transactions.

"**PLR Request**" has the meaning set forth in the Tax Matters Agreement

"**Record Date**" means the close of business on October 27, 2021, the date determined by the Board of Directors of ADS as the record date for the Distribution.

"**Redemption Settlement Assets**" means restricted cash, cash equivalents and securities available-for-sale that are designated for settling redemptions by collectors of the AIR MILES reward program in Canada under certain contractual relationships with sponsors of the AIR MILES reward program. The cash and investments related to the redemption fund for the AIR MILES Reward Program are subject to a security interest which is held in trust for the benefit of funding redemptions by collectors. These assets are restricted to funding rewards for the collectors by certain of ADS' sponsor contracts.

"**Restructuring**" means the reorganization of certain businesses, assets and liabilities of the ADS Group and the Loyalty Ventures Group to be completed before the Distribution Time in accordance with the Restructuring Plan, including the Contribution.

"**Restructuring Plan**" means that certain plan of restructuring among Loyalty Ventures and ADS, attached hereto as Annex A.

"**Retained Loyalty Ventures Common Stock**" has the meaning set forth in the recitals hereto.

"**Securities Act**" means the Securities Act of 1933.

"**Subsidiary**" means, with respect to any Person, any other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person.

"**Tax**" or "**Taxes**" has the meaning set forth in the Tax Matters Agreement.

"**Tax Matters Agreement**" means the Tax Matters Agreement dated as of the date hereof between ADS and Loyalty Ventures substantially in the form of Exhibit B, as such agreement may be amended from time to time in accordance with its terms.

"**Tax Opinion**" has the meaning set forth in the Tax Matters Agreement.

"**Tax Refund**" has the meaning set forth in the Tax Matters Agreement.

"**Third Party**" means any Person that is not a member or an Affiliate of the Loyalty Ventures Group or the ADS Group.

"**Transition Services Agreement**" means the Transition Services Agreement dated as of the date hereof between ADS and Loyalty Ventures substantially in the form of Exhibit C, as such agreement may be amended from time to time in accordance with its terms.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	**Section**
ADILC	Recitals
ADS	Preamble
ADS Assumed Actions	4.02(b)
ADS Claims-Made Policies	4.10(b)
ADS Common Stock	Recitals
ADS Designee	2.03(a)
ADS Group Privileged Materials	4.07(e)
ADS Indemnitees	5.02(a)
ADS Insurance Policies	4.10(a)
ADS Loss Discovered-Policies	4.10(b)
ADS Occurrence-Based Policy	4.10(b)
ADS Shared Policies	4.10(b)
Agreement	Preamble
Amended and Restated Bylaws	2.02(b)(i)
Amended and Restated Certificate of Incorporation	2.02(b)(i)
Boot Purge	Recitals
Cash Proceeds	Recitals
Claim	5.04(a)
Code	Recitals
Contribution	Recitals
Disposing Party	4.05
Distribution	Recitals
Equity-for-Debt Exchange	Recitals
Guarantee	2.09
Indemnified Party	5.04(a)
Indemnifying Party	5.04(a)
Intercompany Accounts	2.06
Loyalty Ventures	Preamble
Loyalty Ventures Assumed Actions	4.02(a)
Loyalty Ventures Common Stock	Recitals
Loyalty Ventures Designee	2.03(a)
Loyalty Ventures Facilities	1.01(a)

Term	Section
Loyalty Ventures Indemnitees	5.03(a)
Patent Rights	1.01(a)
Pre-Distribution Time Communications	4.07(e)
Prior Company Counsel	4.07(d)
Privileged Information	4.07(a)
Privileges	4.07(a)
Post-Distribution Insurance Arrangements	4.10(a)
Receiving Party	4.05
Released Parties	5.01(a)(ii)
Representatives	4.06
Restructuring Agreements	2.04
Third Party Claim	5.04(b)
Trademarks	1.01(a)

Section 1.02. *Interpretation.* (a) In this Agreement, unless the context clearly indicates otherwise:

(i) words used in the singular include the plural and words used in the plural include the singular;

(ii) references to any Person include such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement;

(iii) except as otherwise clearly indicated, reference to any gender includes the other gender;

(iv) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation";

(v) reference to any Article, Section, Exhibit or Schedule means such Article or Section of, or such Exhibit or Schedule to, this Agreement, as the case may be, and references in any Section or definition to any clause means such clause of such Section or definition;

(vi) the words "herein," "hereunder," "hereof," "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision hereof;

(vii) reference to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement;

(viii) reference to any law (including statutes and ordinances) means such law (including all rules and regulations promulgated

thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability;

(ix) relative to the determination of any period of time, "from" means "from and including," "to" means "to and including" and "through" means "through and including";

(x) the titles to Articles and headings of Sections contained in this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of or to affect the meaning or interpretation of this Agreement;

(xi) unless otherwise specified in this Agreement, all references to dollar amounts herein shall be in respect of lawful currency of the United States; and

(xii) any capitalized term used in an Exhibit or Schedule but not otherwise defined therein shall have the meaning set forth in this Agreement.

ARTICLE 2
PRIOR TO THE DISTRIBUTION

On or prior to the Distribution Date:

Section 2.01. *Information Statement; Listing.* ADS shall mail (or shall have mailed) the Information Statement, or a notice of Internet availability thereof, to the holders of ADS Common Stock as of the Record Date. ADS and Loyalty Ventures shall take (or shall have taken) all such actions as may be necessary or appropriate under the securities or blue sky laws of states or other political subdivisions of the United States and shall use commercially reasonable efforts to comply with all applicable foreign securities laws in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. ADS and Loyalty Ventures shall prepare, file and pursue (or shall have prepared, filed and pursued) an application to permit listing of the Loyalty Ventures Common Stock on Nasdaq.

Section 2.02. *Restructuring and Other Actions prior to the Distribution Time*.

(a) Restructuring. The Restructuring shall have been consummated on or prior to the Distribution Time, including (i) the entry by Loyalty Ventures into the Loyalty Ventures Financing Arrangements and (ii) the Contribution, including the transfer by Loyalty Ventures of the Cash Proceeds from the Loyalty Ventures Financing Arrangements to ADILC in partial consideration for the stock of Loyalty Ventures First-Tier Subsidiaries.

(b) Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws. (i) ADS and Loyalty Ventures shall each take (or shall have taken) all necessary action that may be required to provide for the adoption by Loyalty Ventures of an amended and restated certificate of incorporation of Loyalty Ventures substantially in the form of Exhibit D (the "**Amended and Restated Certificate of Incorporation**"), and amended and restated bylaws of Loyalty Ventures, substantially in the form of Exhibit E (the "**Amended and Restated Bylaws**"), and (ii) Loyalty Ventures shall file (or shall have filed) the Amended and Restated Certificate of Incorporation of Loyalty Ventures with the Secretary of State of the State of Delaware.

(c) The Distribution Agent. ADS shall enter (or shall have entered) into a distribution agent agreement with the Distribution Agent or otherwise provide instructions to the Distribution Agent regarding the Distribution.

(d) Satisfying Conditions to the Distribution. ADS and Loyalty Ventures shall cooperate (or shall have cooperated) to cause the conditions to the Distribution set forth in Section 3.01 to be satisfied (or waived by ADS) and to effect the Distribution at the Distribution Time upon such satisfaction (or waiver by ADS).

Section 2.03. *Transfers of Certain Other Assets and Liabilities*. Unless otherwise provided in this Agreement or in any Ancillary Agreement and to the extent not previously effected in accordance with Section 2.02(a), effective as of the Distribution Time:

(a) ADS hereby agrees, and hereby causes the relevant member of the ADS Group, to assign, contribute, convey, transfer and deliver (or shall have assigned, contributed, conveyed, transferred and delivered) to Loyalty Ventures or any member of the Loyalty Ventures Group as of the Distribution Time designated by Loyalty Ventures (a "**Loyalty Ventures Designee**") all of the right, title and interest of ADS or such member of the ADS Group in and to all of the Loyalty Ventures Assets, if any, held by any member of the ADS Group, and ADS and Loyalty Ventures hereby agree, and hereby cause the relevant member of the Loyalty Ventures Group, to assign, contribute, convey, transfer and deliver to ADS or any member of the ADS Group as of the Distribution Time designated by ADS (a "**ADS Designee**") all of the right, title and interest of Loyalty Ventures or such member of the Loyalty Ventures Group in and to all of the ADS Assets, if any, held by any member of the Loyalty Ventures Group; and

(b) ADS hereby agrees, and hereby causes the relevant member of the ADS Group, to assign, transfer and deliver (or shall have assigned, transferred and delivered) to Loyalty Ventures, and Loyalty Ventures, on behalf of itself or such Loyalty Ventures Designee, hereby accepts, assumes and agrees to perform, discharge and fulfill, all of the Loyalty Ventures Liabilities, if any, to the extent such Loyalty Ventures Liabilities would otherwise remain obligations of any member of the ADS Group, and ADS and Loyalty Ventures hereby agree, and

hereby cause the relevant member of the Loyalty Ventures Group, to assign, transfer and deliver (or shall have assigned, transferred and delivered) to ADS, and ADS, on behalf of itself or such ADS Designee, hereby accepts, assumes and agrees to perform, discharge and fulfill, all of the ADS Liabilities, if any, to the extent such ADS Liabilities would otherwise remain obligations of any member of the Loyalty Ventures Group.

(c) To the extent any assignment, contribution, conveyance, transfer, delivery or assumption of any asset or Liability of either Group as of the Distribution Time is not effected in accordance with this Section 2.03 as of the Distribution Time for any reason (including as a result of the failure of the parties to identify it as being required to be transferred pursuant to this Section 2.03, but subject to Section 2.04), the relevant party shall use all commercially reasonable efforts to effect such transfer as promptly thereafter as practicable.

Section 2.04. *Restructuring Agreements*. The transfers of the various entities and the contribution, assignment, transfer, conveyance and delivery of the assets and the acceptance and assumption of the Liabilities contemplated by Section 2.02, Section 2.03 and the Restructuring Plan will be effected, in certain cases, pursuant to one or more asset transfer agreements, share transfer agreements, business transfer agreements, certificates of merger and other agreements and instruments (the "**Restructuring Agreements**"); *provided that*, in each case, it is intended that the Restructuring Agreements shall serve purely to effect (x) the legal transfer of the Loyalty Ventures Assets or ADS Assets to the Loyalty Ventures Group or the ADS Group, as applicable, in accordance with the Restructuring Plan or as contemplated pursuant to Section 2.02 and Section 2.03 and (y) the acceptance and assumption of the Loyalty Ventures Liabilities or the ADS Liabilities by a member of the Loyalty Ventures Group or the ADS Group, as applicable, in each case, in accordance with the Restructuring Plan or as contemplated pursuant to Section 2.02 and Section 2.03. Notwithstanding anything in any Restructuring Agreement to the contrary, neither ADS nor any member of the ADS Group, on the one hand, nor Loyalty Ventures nor any member of the Loyalty Ventures Group, on the other hand, shall commence, bring or otherwise initiate any Action under any Restructuring Agreement.

Section 2.05. *Agreement Relating to Consents Necessary to Transfer Assets and Liabilities.* Notwithstanding any provision of this Agreement to the contrary, this Agreement shall not constitute an agreement to transfer or assign any asset (including any Contract) or any claim or right or any benefit arising thereunder or resulting therefrom, or to assume any Liability, if such transfer, assignment, or assumption without the consent of a Third Party or a Governmental Authority, would result in a breach, or constitute a default (or an event which, with the giving of notice or lapse of time, or both, would become a default), under any Contract or would otherwise adversely affect the rights of a member of the ADS Group or the Loyalty Ventures Group thereunder. ADS and Loyalty Ventures will use their respective commercially reasonable efforts to obtain the consent of any Third Party (including any Governmental Authority), if

any, required in connection with the transfer, assignment or assumption pursuant to Section 2.03 of any such asset or any such claim or right or benefit arising thereunder or to the assumption of any Liability; *provided* that in no event shall any member of a Group have any Liability whatsoever to any member of the other Group for any failure to obtain any such consent. If and when such consent is obtained, such transfer, assignment and/or assumption shall be effected in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement. During the period in which any transfer, assignment or assumption is delayed pursuant to this Section 2.05 as a result of the absence of a required consent, the party (or relevant member in its Group) retaining such asset, claim or right shall thereafter hold (or shall cause such member in its Group to hold) such asset, claim or right for the use and benefit of the party (or relevant member in its Group) entitled thereto (at the expense of the Person entitled thereto) and the party intended to assume an such Liability shall, or shall cause the applicable member of its Group to, pay, hold harmless or reimburse the party (or the relevant member of its Group) retaining such Liability for all amounts paid, incurred in connection with or arising out of the retention of such Liability. In addition, the party retaining such asset, claim or right, or such Liability (or relevant member of its Group) shall (or shall cause such member in its Group to) treat, insofar as reasonably possible and to the extent permitted by Applicable Law, such asset, claim or right, or such Liability, in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the party to which such asset, claim or right, or such Liability, is to be transferred or assumed in order to place such party, insofar as reasonably possible, in the same position as if such asset, claim or right, or such Liability, had been transferred or assumed on or prior to the Distribution Time as contemplated hereby and so that all the benefits and burdens relating to such asset, claim or right, or such Liability, including possession, use, risk of loss, potential for gain, and dominion, control and command over such asset, claim or right, or such Liability, are to inure from and after the Distribution Time to the relevant member of the ADS Group or the Loyalty Ventures Group, as the case may be, entitled to the receipt of such asset, claim or right, or required to assume such Liability.

Section 2.06. *Intercompany Accounts.* The parties shall settle or extinguish on or prior to the Distribution Date, all intercompany receivables, payables and other balances, in each case, that arise prior to the Distribution Time between members of the ADS Group, on the one hand, and members of the Loyalty Ventures Group, on the other hand ("**Intercompany Accounts**"), by way of a contribution to capital or distributions from equity and/or one or more cash payments (whether or not on a net basis) in satisfaction of such amounts, in each case without any further Liability of any member of the ADS Group to any member of the Loyalty Ventures Group thereunder, or any further Liability of any member of the Loyalty Ventures Group to any member of the ADS Group thereunder.

Section 2.07. *Intercompany Agreements.* (a) Except as set forth in Section 2.07(b), all Contracts between members of the ADS Group, on the one

hand, and members of the Loyalty Ventures Group, on the other hand, in effect immediately prior to the Distribution are hereby agreed by ADS (on behalf of itself and each member of the ADS Group) and by Loyalty Ventures (on behalf of itself and each member of the Loyalty Ventures Group) to be terminated, cancelled and of no further force and effect from and after the Distribution Time (including any provision thereof that purports to survive termination) without any further Liability to any party thereto.

(b) The provisions of Section 2.07(a) shall not apply to any of the following Contracts: (i) this Agreement and the Ancillary Agreements (and each other Contract expressly contemplated by this Agreement or any Ancillary Agreement (A) to be entered into by any of the parties hereto or any of the members of their respective Groups or (B) to survive the Distribution Date); (ii) any Contract to which any Person, other than solely the parties hereto and the members of their respective Groups, is a party; (iii) any Intercompany Accounts to the extent such Intercompany Accounts were not satisfied and/or settled in accordance with the first sentence of Section 2.06 (it being understood that such Intercompany Accounts shall be satisfied or settled in accordance with the second sentence of Section 2.06); and (iv) the Contracts set forth on Schedule 2.07(b).

Section 2.08. *Bank Accounts; Cash Balances.*

(a) ADS and Loyalty Ventures shall, and shall cause the members of their respective Group to, use commercially reasonable efforts such that, on or prior to the Distribution Time, the ADS Group and the Loyalty Ventures Group maintain separate bank accounts and separate cash management processes. Without limiting the generality of the foregoing, ADS and Loyalty Ventures shall use commercially reasonable efforts to, and shall cause the members of their respective Groups to use commercially reasonable efforts to, effective prior to the Distribution Time, (x) remove and replace the signatories of any bank or brokerage account owned by Loyalty Ventures or any other member of the Loyalty Ventures Group as of the Distribution Time with individuals designated by Loyalty Ventures and (y) if requested by ADS, remove and replace the signatories of any bank or brokerage account owned by ADS or any other member of the ADS Group as of the Distribution Time with individuals designated by ADS.

(b) With respect to any outstanding payments initiated by ADS, Loyalty Ventures, or any of their respective Subsidiaries prior to the Distribution Time, such outstanding payments shall be honored following the Distribution by the Person or Group owning the account from which the payment was initiated.

(c) As between ADS and Loyalty Ventures (and the members of their respective Groups) all payments received after the Distribution Date by either party (or member of its Group) that relate to a business, asset or Liability of the other party (or member of its Group), shall be held by such party for the use and benefit and at the expense of the party entitled thereto. Each party shall maintain

an accounting of any such payments, and the parties shall have a monthly reconciliation, whereby all such payments received by each party are calculated and the net amount owed to ADS or Loyalty Ventures, as applicable, shall be paid over with a mutual right of set-off. If at any time the net amount owed to either party exceeds $500,000, an interim payment of such net amount owed shall be made to the party entitled thereto within five (5) Business Days of such amount exceeding $500,000. Notwithstanding the foregoing, neither ADS nor Loyalty Ventures shall act as collection agent for the other party, nor shall either party act as surety or endorser with respect to non-sufficient funds, checks or funds to be returned in a bankruptcy or fraudulent conveyance action. Further notwithstanding the foregoing, treatment of Tax assets shall be governed by the Tax Matters Agreement and shall not be considered in this reconciliation process.

Section 2.09. *Replacement of Guarantees*. ADS and Loyalty Ventures shall each use commercially reasonable efforts to, and shall cause the members of their respective Groups to use commercially reasonable efforts to, effective as of the Distribution Time, terminate or cause a member of the Loyalty Ventures Group to be substituted in all respects for a member of the ADS Group with respect to, and for the members of the ADS Group, as applicable, to be otherwise removed or released from, all obligations of any member of the Loyalty Ventures Group under any guarantee, surety bond, letter of credit, letter of comfort or similar credit or performance support arrangement (each, a "**Guarantee**"), given or obtained by any member of the ADS Group for the benefit of any member of the Loyalty Ventures Group or the LoyaltyOne Business. If ADS and Loyalty Ventures have been unable to effect any such substitution, removal, release and termination with respect to any such Guarantee as of the Distribution Time, then, following the Distribution Time (a) the parties shall cooperate to effect such substitution, removal, release and termination as soon as reasonably practicable after the Distribution Time, (b) Loyalty Ventures and the members of the Loyalty Ventures Group shall, from and after the Distribution Time, indemnify against, hold harmless and promptly reimburse the members of the ADS Group for any payments made by members of the ADS Group and for any and all Liabilities of the members of the ADS Group arising out of, or in performing, in whole or in part, any obligation under any such Guarantee, and (c) without the prior written consent of ADS, no member of the Loyalty Ventures Group may renew, extend the term of, increase any obligations under, or transfer to a third Person, any Liability for which any member of the ADS Group is or might be liable pursuant to an applicable Guarantee unless such Guarantee, and all applicable obligations of the members of the ADS Group with respect thereto, are thereupon terminated pursuant to documentation reasonably acceptable to ADS.

Section 2.10. *Further Assurances and Consents.* In addition to the actions specifically provided for elsewhere in this Agreement, each of the parties hereto shall use its commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under Applicable Law or applicable agreements or otherwise to consummate and make effective any transfers of assets, assignments and

assumptions of Liabilities and any other transactions contemplated hereby, including using its commercially reasonable efforts to obtain any consents and approvals and to make any filings and applications necessary or desirable in order to consummate the transactions contemplated by this Agreement; *provided* that in no event shall any member of a Group have any Liability whatsoever to any member of the other Group for any failure to obtain any such consent or approval.

ARTICLE 3
DISTRIBUTION

Section 3.01. *Conditions Precedent to Distribution.* (a) In no event shall the Distribution occur unless each of the following conditions shall have been satisfied (or waived by ADS in its sole discretion):

(i) the Restructuring shall have been completed, including the consummation of the Loyalty Ventures Financing Arrangements and the Contribution, including the transfer by Loyalty Ventures of the Cash Proceeds of the Loyalty Ventures Financing Arrangements to ADILC in partial consideration for the stock of Loyalty Ventures First-Tier Subsidiaries;

(ii) the Board of Directors of ADS shall have approved the Distribution and shall not have abandoned the Distribution or terminated this Agreement at any time prior to the Distribution;

(iii) the Form 10 shall have been filed with the Commission and declared effective by the Commission, no stop order suspending the effectiveness of the Form 10 shall be in effect, no proceedings for such purpose shall be pending before or threatened by the Commission, and the Information Statement, or a notice of Internet availability thereof, shall have been mailed to holders of the ADS Common Stock as of the Record Date;

(iv) all actions and filings necessary or appropriate under applicable federal, state or foreign securities or "blue sky" laws and the rules and regulations thereunder shall have been taken and, where applicable, become effective or been accepted;

(v) the Loyalty Ventures Common Stock to be delivered in the Distribution shall have been approved for listing on Nasdaq, subject to official notice of issuance;

(vi) the Board of Directors of Loyalty Ventures, as named in the Information Statement, shall have been duly appointed, and the Amended and Restated Certificate of Incorporation and the Amended and

Restated Bylaws, each in substantially the form filed as an exhibit to the Form 10, shall be in effect;

(vii) each of the Ancillary Agreements shall have been duly executed and delivered by the parties thereto;

(viii) ADS shall have received the PLR and the Tax Opinion (neither of which shall have been revoked or modified in any material respect), both of which are reasonably satisfactory to ADS ;

(ix) no Applicable Law shall have been adopted, promulgated or issued, and be in effect, that prohibits the consummation of the Distribution or any of the other transactions contemplated hereby;

(x) any material governmental approvals and consents and any material permits, registrations and consents from Third Parties, in each case, necessary to effect the Distribution and to permit the operation of the Loyalty Ventures Group and the LoyaltyOne Business after the Distribution Date substantially as it is conducted at the date hereof shall have been obtained; and

(xi) no event or development shall have occurred or exist that, in the judgment of the Board of Directors of ADS, in its sole discretion, makes it inadvisable to effect the Distribution or the other transactions contemplated hereby.

(b) Each of the conditions set forth in Section 3.01(a) is for the sole benefit of ADS and shall not give rise to or create any duty on the part of ADS or its Board of Directors to waive or not to waive any such condition or to effect the Distribution, or in any way limit ADS' rights of termination as set forth in Section 6.12 or alter the consequences of any termination from those specified in Section 6.12. Any determination made by ADS on or prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.01 shall be conclusive and binding on the parties and all other affected Persons.

Section 3.02. *The Distribution*. (a) ADS shall, in its sole discretion, determine the Distribution Date and all terms of the Distribution, including the timing of the consummation of all or part of the Distribution. ADS may, at any time and from time to time until the consummation of the Distribution, modify or change the terms of the Distribution including by accelerating or delaying the timing of the consummation of all or part of the Distribution. For the avoidance of doubt, nothing in this Agreement shall in any way limit ADS' right to terminate this Agreement or the Distribution as set forth in Section 6.12 or alter the consequences of any such termination from those specified in Section 6.12.

(b) Subject to the terms and conditions set forth in this Agreement, (i) on or prior to the Distribution Date, ADS shall take such steps as are reasonably necessary or appropriate to permit the Distribution by the Distribution Agent of

validly issued, fully paid and non-assessable shares of Loyalty Ventures Common Stock, registered in book-entry form through the registration system, (ii) the Distribution shall be effective at the Distribution Time, and (iii) subject to Section 3.03, ADS shall instruct the Distribution Agent to distribute, on or as soon as practicable after the Distribution Date, to each holder of record of ADS Common Stock as of the Record Date, by means of a *pro rata* dividend, one share of Loyalty Ventures Common Stock for every two and one-half (2.5) shares of ADS Common Stock so held. Following the Distribution Date, Loyalty Ventures agrees to provide all book-entry transfer authorizations for shares of Loyalty Ventures Common Stock that ADS or the Distribution Agent shall require (after giving effect to Sections 3.03 and 3.04) in order to effect the Distribution.

(c) To the extent contemplated in the PLR Request: (i) Following the Distribution Date but within thirty (30) days following the Distribution Date, ADS shall complete the Boot Purge by using the Cash Proceeds to repay or repurchase certain of its debt from third-party lenders; (ii) ADS shall complete the Equity-for-Debt Exchange, if any, within one year of the Distribution; (iii) ADS shall dispose of any Retained Loyalty Ventures Common Stock that is not transferred in the Equity-for-Debt Exchange not later than five (5) years after the Distribution; and (iv) ADS shall use cash proceeds it receives in Step 5 of the Restructuring Plan to repay or repurchase certain of its debt from third-party lenders.

(d) With respect to each payment (if any) received by ADS that constitutes a Deemed Distribution under the Tax Matters Agreement, including any such payment of a Tax Refund, ADS shall, to the extent contemplated in the PLR Request, within thirty (30) days following the receipt thereof, use the funds received in such payment to (1) repurchase ADS common stock, (2) make pro rata special cash distributions to its shareholders, and/or (3) repay or repurchase debt from third-party lenders.

Section 3.03. *Fractional Shares*. No fractional shares of Loyalty Ventures Common Stock will be distributed in the Distribution. The Distribution Agent will be directed to determine (based on the aggregate number of shares held by each holder) the number of whole shares and the fractional share of Loyalty Ventures Common Stock allocable to each holder of ADS Common Stock as of the Record Date. Upon the determination by the Distribution Agent of such numbers of whole shares and fractional shares, as soon as practicable on or after the Distribution Date, the Distribution Agent, acting on behalf of the holders thereof, shall aggregate the fractional shares into whole shares and shall sell the whole shares obtained thereby for cash on the open market (with the Distribution Agent, in its sole discretion, determining when, how and through which broker-dealer(s) and at which price(s) to make such sales) and shall thereafter promptly distribute to each such holder entitled thereto (*pro rata* based on the fractional share such holder would have been entitled to receive in the Distribution) the resulting aggregate cash proceeds, after making appropriate deductions of the amounts required to be withheld for United States federal

income tax purposes, if any, and after deducting an amount equal to all brokerage fees and commissions, transfer taxes and other costs attributed to the sale of shares pursuant to this Section 3.02(c). Neither ADS nor Loyalty Ventures will be required to guarantee any minimum sale price for the fractional shares. Recipients of cash in lieu of fractional shares will not be entitled to any interest on the amounts of payments made in lieu of fractional shares.

Section 3.04. *NO REPRESENTATIONS OR WARRANTIES.* EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY OTHER DISTRIBUTION DOCUMENT, NO MEMBER OF EITHER GROUP MAKES ANY REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, TO ANY MEMBER OF THE OTHER GROUP OR ANY OTHER PERSON WITH RESPECT TO ANY OF THE TRANSACTIONS OR MATTERS CONTEMPLATED HEREBY (INCLUDING WITH RESPECT TO THE BUSINESS, ASSETS, LIABILITIES, CONDITION OR PROSPECTS (FINANCIAL OR OTHERWISE) OF, OR ANY OTHER MATTER INVOLVING, EITHER BUSINESS, OR THE SUFFICIENCY OF ANY ASSETS TRANSFERRED OR LICENSED TO THE APPLICABLE GROUP, OR THE TITLE TO ANY SUCH ASSETS, OR THAT ANY REQUIREMENTS OF APPLICABLE LAW ARE COMPLIED WITH RESPECT TO THE RESTRUCTURING OR THE DISTRIBUTION). EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY OTHER DISTRIBUTION DOCUMENT, EACH MEMBER OF EACH GROUP SHALL TAKE ALL OF THE BUSINESS, ASSETS AND LIABILITIES TRANSFERRED OR LICENSED TO OR ASSUMED BY IT PURSUANT TO THIS AGREEMENT OR ANY DISTRIBUTION DOCUMENT ON AN "AS IS, WHERE IS" BASIS, AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A SPECIFIC PURPOSE OR OTHERWISE ARE HEREBY EXPRESSLY DISCLAIMED.

ARTICLE 4
COVENANTS

Section 4.01. *Books and Records; Access to Information*. (a) To the extent not previously transferred in accordance with Section 2.02(a) or Section 2.03, from and after the Distribution Date, ADS shall, and shall cause the members of the ADS Group to, deliver to Loyalty Ventures or any Loyalty Ventures Designee any books and records that are Loyalty Ventures Assets (or copies of relevant portions thereof if such books and records contain information not related to the Loyalty Ventures Group or the LoyaltyOne Business) found to be in the possession of ADS or any member of the ADS Group in accordance with the applicable terms of the Transition Services Agreement and the applicable schedules thereto; *provided* that without limiting any express delivery requirements under this Section 4.01(a) and the terms of the Transition Services Agreement, neither ADS nor any member of the ADS Group shall be required to conduct any general search or investigation of its files for such books and records

other than with respect to Commercial Data. Notwithstanding anything in this Agreement to the contrary, ADS shall not transfer or otherwise disclose or deliver to Loyalty Ventures any confidential supervisory information (including confidential supervisory information as identified in 12 C.F.R. § 309.5(g)(8)) of a U.S. federal or state Governmental Authority or any information the disclosure of which by ADS is prohibited by Applicable Law.

(b) Without limiting the express delivery requirements of Section 4.01(a) or any Ancillary Agreement, for a period of seven years after completion of the Transition Services Agreement, each Group shall afford promptly the other Group and its agents and, to the extent required by Applicable Law, authorized representatives of any Governmental Authority of competent jurisdiction, reasonable access (which shall include, to the extent reasonably requested, the right to make copies) during normal business hours to its books of account, financial and other records (including accountant's work papers, to the extent any required consents have been obtained), information (excluding any Commercial Data), employees and auditors to the extent necessary or useful for such other Group in connection with any audit, investigation, dispute or litigation, complying with their obligations under this Agreement or any Ancillary Agreement, any regulatory proceeding, any regulatory filings, complying with reporting disclosure requirements or any other requirements imposed by any Governmental Authority or any other reasonable business purpose of the Group requesting such access; *provided* that (i) any such access shall not unreasonably interfere with the conduct of the business of the Group providing such access and (ii) if any party reasonably determines that affording any such access to the other party would be commercially detrimental in any material respect or violate any Applicable Law or agreement to which such party or member of its Group is a party, or waive any Privilege applicable to such party or any member of its Group, the parties shall use commercially reasonable efforts to permit the compliance with such request in a manner that avoids any such harm or consequence.

(c) Without limiting the express delivery requirements of Section 4.01(a) or any Ancillary Agreement, to the extent not prohibited by Applicable Law, through the term of the Transition Services Agreement (and for a reasonable period of time afterwards as required for each party to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which ADS provides services to Loyalty Ventures under the Transition Services Agreement), each party shall use its commercially reasonable efforts to cooperate with the other party's information requests (other than with respect to any Commercial Data) to enable (i) the other party to meet its timetable for dissemination of its earnings releases, financial statements and management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting in accordance with Items 307 and 308, respectively, of Regulation S-K promulgated under the Exchange Act; and (ii) the other party's auditors timely to complete their review of the quarterly financial statements and audit of the annual financial statements, including, to the extent applicable to such party, its auditor's audit of its internal control over financial

reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder and any other Applicable Laws.

(d) The Parties' treatment of historical employee emails is set forth on Schedule 4.01(d).

Section 4.02. *Litigation Matters*. (a) Effective as of the Distribution Time, the applicable member of the Loyalty Ventures Group shall assume and thereafter be responsible for all Liabilities of either Group that may result from the Loyalty Ventures Assumed Actions and, subject to Section 5.04(c), all Liabilities and fees and costs relating to the defense of the Loyalty Ventures Assumed Actions, including attorneys', accountants', consultants' and other professionals' fees and expenses that have been incurred prior to the Distribution Time and are unpaid as of the Distribution Time, or, that are incurred on or after the Distribution Time. "**Loyalty Ventures Assumed Actions**" means (x) those Actions primarily related to the Loyalty Ventures Group or the LoyaltyOne Business, including those in which any member of the ADS Group or any Affiliate of a member of the ADS Group is a defendant or a party against whom the claim or investigation is directed that are primarily related to the Loyalty Ventures Group or the LoyaltyOne Business, (y) those Actions set forth on Schedule 4.02(a) and (x) all Actions that Loyalty Ventures has elected to control the defense of as the Indemnifying Party pursuant to Section 5.04(b). If any member of the ADS Group has any rights or claims against a Third Party insurer or other Third Party in connection with or relating to any Loyalty Ventures Assumed Action, such member shall, subject to Section 2.05, transfer and assign to the applicable member of the Loyalty Ventures Group all such rights or claims and cooperate with the Loyalty Ventures Group in connection with the enforcement and collection thereof. For the avoidance of doubt, effective as of the Distribution Time, Loyalty Ventures shall be entitled to all recovery, rights, claims, credits, causes of action, payments, awards and rights of set-off, in each case, with respect to the Loyalty Ventures Assumed Actions. ADS hereby agrees to transfer or pay, and to cause any applicable member of the ADS Group to transfer or pay, to Loyalty Ventures, to the extent held by the ADS Group, any such recovery, rights, claims, credits, causes of action, payments, awards and rights of set-off as promptly as possible.

(b) Effective as of the Distribution Time, the applicable member of the ADS Group shall assume and thereafter be responsible for all Liabilities of either Group that may result from the ADS Assumed Actions and, subject to Section 5.04(c), all fees and costs relating to the defense of the ADS Assumed Actions, including attorneys', accountants', consultants' and other professionals' fees and expenses that have been incurred prior to the Distribution Time and are unpaid as of or after the Distribution Time, or, that are incurred on or after the Distribution Time. "**ADS Assumed Actions**" means (x) those Actions primarily related to the ADS Business, including those in which any member of Loyalty Ventures Group

or any Affiliate of a member of the Loyalty Ventures Group is a defendant or a party against whom the claim or investigation is directed that are primarily related to the ADS Business, (y) those Actions set forth on Schedule 4.02(b) and (z) all Actions that ADS has elected to control the defense of as the Indemnifying Party pursuant to Section 5.04(b). If any member of the Loyalty Ventures Group has any rights or claims against a Third Party insurer or other Third Party in connection with or relating to any ADS Assumed Action, such member shall, subject to Section 2.05, transfer and assign to the applicable member of the ADS Group all such rights or claims and cooperate with the ADS Group in connection with the enforcement and collection thereof. For the avoidance of doubt, effective as of the Distribution Time, ADS shall be entitled to all recovery, rights, claims, credits, causes of action, payments, awards and rights of set-off, in each case, with respect to the ADS Assumed Actions. Loyalty Ventures hereby agrees to transfer or pay, and to cause any applicable member of the Loyalty Ventures Group to transfer or pay, to ADS, to the extent held by the Loyalty Ventures Group, any such recovery, rights, claims, credits, causes of action, payments, awards and rights of set-off as promptly as possible.

(c) Each party agrees that, at all times from and after the Distribution Time, if an Action relating primarily to its Business is commenced by a Third Party naming a member of each Group as defendants thereto, such action shall be deemed to be a Loyalty Ventures Assumed Action (in the case of an Action primarily related to the Loyalty Ventures Group or the LoyaltyOne Business) or an ADS Assumed Action (in the case of an Action primarily related to the ADS Business) and the party as to which the Action primarily relates shall use its commercially reasonable efforts to cause the other party or member of its Group to be removed from such Action.

(d) The parties agree that, at all times from and after the Distribution Time, if any Action is commenced by a Third Party naming a member of each Group as a defendant thereto and the parties are not able to reasonably determine whether such Action primarily relates to the Loyalty Ventures Group or the LoyaltyOne Business or the ADS Business, then the parties shall cooperate in good faith to determine which party and the members of its Group shall control and be responsible for such Action in accordance with the terms of this Section 4.02, and the parties will consult to the extent necessary or advisable with respect to such Action.

(e) Each Group shall use commercially reasonable efforts to make available to the other Group and its attorneys, accountants, consultants and other designated representatives, upon written request, its directors, officers, employees and representatives as witnesses, and shall otherwise cooperate with the other Group, to the extent reasonably requested in connection with any Action arising out of either Group’s Business prior to the Distribution Time in which the requesting Group may from time to time be involved.

(f) Notwithstanding the foregoing, this Section 4.02 shall not require the party to whom any request pursuant to Section 4.02(e) has been made to make available Persons or information if such party determines that doing so would, in the reasonable good faith judgment of such party, reasonably be expected to result in any violation of any Applicable Law or agreement or adversely affect its ability to successfully assert a claim of Privilege under Applicable Law; *provided*, that the parties shall use commercially reasonable efforts to cooperate in seeking to find a way to permit compliance with such obligations to the extent and in a manner that avoids such consequence.

Section 4.03. *Reimbursement*. Each Group providing information or witnesses to the other Group or otherwise incurring any out-of-pocket expense in connection with transferring books and records or otherwise cooperating under Section 4.01 or Section 4.02 shall be entitled to receive from the recipient thereof, upon the presentation of invoices therefor, payment for all reasonable and documented out-of-pocket costs and expenses (including outside attorney's fees but excluding reimbursement for general overhead, salary and employee benefits) actually incurred in providing such access, information, witnesses or cooperation.

Section 4.04. *Ownership of Information*. All information owned by one party (or a member of its Group) that is provided to the other party (or a member of its Group) under Section 4.01 or Section 4.02 shall be deemed to remain the property of the providing party. Unless specifically set forth herein or in any Ancillary Agreement, nothing contained in this Agreement shall be construed to grant or confer rights of license or otherwise in any such information.

Section 4.05. *Retention of Records*. Except as otherwise required by Applicable Law or agreed to in writing, each party shall, and shall cause the members of its Group to, retain any and all information in its possession or control relating to the other Group's Business in accordance with the document retention practices of ADS as in effect as of the date hereof. Neither party shall destroy, or permit the destruction, or otherwise dispose, or permit the disposal, of any such information, subject to such retention practice, unless, prior to such destruction or disposal, the party proposing (or whose Group member is proposing) such destruction or disposal (the "**Disposing Party**") provides not less than 30 days' prior written notice to the other party (the "**Receiving Party**"), specifying the information proposed to be destroyed or disposed of and the scheduled date for such destruction or disposal. If the Receiving Party shall request in writing prior to the scheduled date for such destruction or disposal that any of the information proposed to be destroyed or disposed of be delivered to the Receiving Party, the Disposing Party shall promptly arrange for the delivery of such of the information as was requested at the expense of the Receiving Party; *provided* that, if the Disposing Party reasonably determines that any such provision of information would violate any Applicable Law or agreement to which such party or member of its Group is a party, or waive any Privilege applicable to such party or any member of its Group, the parties shall use commercially reasonable efforts to permit the prompt compliance with such

request in a manner that avoids any such harm or consequence. Any records or documents that were subject to a litigation hold prior to the Distribution Date must be retained by the applicable party until such party or member of its Group is notified by the other party that the litigation hold is no longer in effect.

Section 4.06. *Confidentiality*. Each party acknowledges that it or a member of its Group may have in its possession, and, in connection with this Agreement and the Ancillary Agreements, may receive, Confidential Information of the other party or any member of its Group (including information in the possession of such other party relating to its clients or customers). Each party shall hold and shall cause its directors, officers, employees, agents, consultants and advisors ("**Representatives**") and the members of its Group and their Representatives to hold in strict confidence and not to use, except as permitted by this Agreement, or any Ancillary Agreement all such Confidential Information concerning the other Group unless (a) such party or any of the members of its Group or its or their Representatives is compelled to disclose such Confidential Information by judicial or administrative process or by other requirements of Applicable Law or (b) such Confidential Information can be shown to have been (i) in the public domain through no fault of such party or any of the members of its Group or its or their Representatives, (ii) lawfully acquired after the Distribution Date on a non-confidential basis from other sources not known by such party to be under any legal obligation to keep such information confidential or (iii) developed or used in its business by such party or any of the members of its Group or its or their Representatives without the use of any Confidential Information of the other Group. Notwithstanding the foregoing, such party or member of its Group or its or their Representatives may disclose such Confidential Information to the members of its Group and its or their Representatives so long as such Persons are informed by such party of the confidential nature of such Confidential Information and are directed by such party to treat such information confidentially. The obligation of each party and the members of its Group and its and their Representatives to hold any such Confidential Information in confidence shall be satisfied if they exercise the same level of care with respect to such Confidential Information as they would with respect to their own proprietary information. If such party or any of a member of its Group or any of its or their Representatives becomes legally compelled to disclose any documents or information subject to this Section 4.06, such party will promptly notify the other party and, upon request, use commercially reasonable efforts to cooperate with the other party's efforts to seek a protective order or other remedy. If no such protective order or other remedy is obtained or if the other party waives in writing such party's compliance with this Section 4.06, such party or the member of its Group or its or their Representatives may furnish only that portion of the information which it concludes, after consultation with counsel, is legally required to be disclosed and will exercise its commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such information. Each party agrees to be responsible for any breach of this Section 4.06 by it, the members of its Group and its and their Representatives.

Section 4.07. *Privileged Information.* (a) The parties acknowledge that members of the ADS Group, on the one hand, and members of the Loyalty Ventures Group, on the other hand, may possess documents or other information regarding the other Group that is or may be subject to the attorney-client privilege, the work product doctrine or common interest privilege (collectively, "**Privileges**"; and such documents and other information collectively, the "**Privileged Information**"). Each party agrees to use commercially reasonable efforts to protect and maintain, and to cause their respective Affiliates to protect and maintain, any applicable claim to Privilege in order to prevent any of the other Group's Privileged Information from being disclosed or used in a manner inconsistent with such Privilege without the other party's consent. Without limiting the generality of the foregoing, a party and its Affiliates shall not, without the other party's prior written consent, (i) waive any Privilege with respect to any of the other party's or any member of its Group's Privileged Information, (ii) fail to defend any Privilege with respect to any such Privileged Information, or (iii) fail to take any other actions reasonably necessary to preserve any Privilege with respect to any such Privileged Information.

(b) Upon receipt by a party or any member of such party's Group of any subpoena, discovery or other request that calls for the production or disclosure of Privileged Information of the other party or a member of its Group, such party shall promptly notify the other party of the existence of the request and shall provide the other party a reasonable opportunity to review the information and to assert any rights it or a member of its Group may have under this Section 4.07 or otherwise to prevent the production or disclosure of such Privileged Information. Each party agrees that neither it nor any member of its Group will produce or disclose any information that may be covered by a Privilege of the other party or a member of its Group under this Section 4.07 unless (i) the other party has provided its written consent to such production or disclosure (which consent shall not be unreasonably withheld) or (ii) a court of competent jurisdiction has entered an order finding that the information is not entitled to protection under any applicable Privilege or otherwise requires disclosure of such information.

(c) In the event that any member of the ADS Group and any member of the Loyalty Ventures Group cooperate in the mutual defense of any Third Party Claim, such cooperation shall not constitute a waiver or qualification of such party's right to assert and defend any applicable claim to Privilege.

(d) Each of the ADS Group and the Loyalty Ventures Group covenants and agrees that, following the Distribution Time, Davis Polk & Wardwell LLP or any other internal or external legal counsel currently representing the Loyalty Ventures Group (each a "**Prior Company Counsel**") may serve as counsel to the ADS Group and its Affiliates in connection with any matters arising under or related to this Agreement or the transactions contemplated by this Agreement or any Ancillary Agreement, including with respect to any litigation, Claim or obligation arising out of or related to this Agreement or any Ancillary Agreement or the transactions contemplated by this

Agreement or any Ancillary Agreement, notwithstanding any representation by the Prior Company Counsel prior to the Distribution Time. The ADS Group and the Loyalty Ventures Group hereby irrevocably (i) waive any Claim they have or may have that a Prior Company Counsel has a conflict of interest or is otherwise prohibited from engaging in such representation and (ii) covenant and agree that, in the event that a dispute arises after the Distribution Time between the Loyalty Ventures Group (or any of its Affiliates) and the ADS Group (or any of its Affiliates), Prior Company Counsel may represent any member of the ADS Group and any Affiliates thereof in such dispute even though the interests of such Person(s) may be directly adverse to the Loyalty Ventures Group and even though Prior Company Counsel may have represented the Loyalty Ventures Group in a matter substantially related to such dispute.

(e) All communications between members of the ADS Group, on the one hand, and Prior Company Counsel, on the other hand, related to the transactions contemplated by this Agreement or any Ancillary Agreement shall be deemed to be attorney-client confidences that belong solely to such members of the ADS Group or the Prior Company Counsel (the "**Pre-Distribution Time Communications**"). Accordingly, the Loyalty Ventures Group shall not have access to any such Pre-Distribution Time Communications or to the files of Prior Company Counsel relating to such engagement related to the transactions contemplated hereby from and after the Distribution Time, and all books, records and other materials of the Loyalty Ventures Group in any medium (including electronic copies) containing or reflecting any of the Pre-Distribution Time Communications or the work product of legal counsel with respect thereto, including any related summaries, drafts or analyses, and all rights with respect to any of the foregoing, are hereby assigned and transferred to the ADS Group effective as of the Distribution Time (collectively, the "**ADS Group Privileged Materials**"). The ADS Group may cause all of the ADS Group Privileged Materials to be distributed to the ADS Group immediately prior to the Distribution Time with no copies thereof retained by the Loyalty Ventures Group or its respective representatives, and all such distributed ADS Group Privileged Materials shall be excluded from the transactions contemplated by this Agreement and each Ancillary Agreement. From and after the Distribution Time, in the event that any member of the Loyalty Ventures Group shall possess any ADS Group Privileged Materials, such member of the Loyalty Ventures Group shall promptly cause such ADS Group Privileged Materials to be distributed to the ADS Group in accordance with this Section 4.07(e) or destroyed, at the election of Loyalty Ventures. In addition, from and after the Distribution Time, (i) the Loyalty Ventures Group and its representatives shall maintain the confidentiality of the ADS Group Privileged Materials and (ii) none of the members of the Loyalty Ventures Group or their respective representatives shall access or in any way, directly or indirectly, use or rely upon any ADS Group Privileged Materials (whether or not distributed to the ADS Group prior to the Distribution Time in accordance with this Section 4.07(e)). To the extent that any ADS Group Privileged Materials are not delivered to the ADS Group, the Loyalty Ventures Group agrees not to assert a waiver of any applicable Privilege or protection with

respect to such materials. Without limiting the generality of the foregoing, from and after the Distribution Time, (a) the ADS Group shall be the sole holders of the Privileges with respect to the ADS Group Privileged Materials, and no member of the Loyalty Ventures Group shall be a holder thereof, (b) to the extent that files of Prior Company Counsel in respect of ADS Group Privileged Materials constitute property of the client, only the ADS Group shall hold such property rights, (c) Prior Company Counsel shall have no duty whatsoever to reveal or disclose any ADS Group Privileged Materials to the Loyalty Ventures Group by reason of any attorney-client relationship between Prior Company Counsel and the Loyalty Ventures Group and (d) after the Distribution Date, all communications between members of the Loyalty Ventures Group, on the one hand, and any attorneys retained by any member of the Loyalty Ventures Group, on the other hand, shall be deemed to be attorney-client confidences that belong solely to such members of the Loyalty Ventures Group or such attorneys. Each of the Loyalty Ventures Group and the ADS Group hereby acknowledges and confirms that it has had the opportunity to review and obtain adequate information regarding the significance and risks of the waivers and other terms and conditions of this Section 4.07(e), including the opportunity to discuss with counsel such matters and reasonable alternatives to such terms. This Section 4.07(e) is for the benefit of the ADS Group and Prior Company Counsel, and the ADS Group and Prior Company Counsel are intended third party beneficiaries of this Section 4.07(e). This Section 4.07(e) shall be irrevocable, and no term of this Section 4.07(e) may be amended, waived or modified, without the prior written consent of the ADS Group and Prior Company Counsel. The covenants and obligations set forth in this Section 4.07(e) shall survive for ten (10) years following the Distribution Time.

Section 4.08. *Limitation of Liability Regarding Books and Records*. Except as otherwise provided in this Agreement, no party shall have any liability to any other party in the event that any information, books or records exchanged or provided pursuant to this Agreement is found to be inaccurate or the requested information, books or records is not provided, in the absence of willful misconduct by the party requested to provide such information, books or records. No party shall have any liability to any other party if any information, books or records is destroyed after commercially reasonable efforts by such party to comply with the provisions of Section 4.05.

Section 4.09. *Other Agreements Providing for Exchange of Information*. The rights and obligations granted under this Article 4 are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention, rights to use, or confidential treatment of information set forth in any Ancillary Agreement. Notwithstanding anything in this Agreement to the contrary, (i) the Tax Matters Agreement shall govern the retention of Tax related records and the exchange of Tax related information and (ii) the Employee Matters Agreement shall govern the retention of employment and benefits related records.

Section 4.10. *Conduct of Incidents Subject to ADS Insurance*. (a) Loyalty Ventures, for itself and the members of its Group, acknowledges that coverage for the Loyalty Ventures Group or the LoyaltyOne Business under the insurance policies of ADS and the members of the ADS Group (other than insurance policies, insurance contracts and claim administration contracts established in contemplation of the Distribution to cover only the Loyalty Ventures Group after the Distribution Time (the "**Post-Distribution Insurance Arrangements**")) (the "**ADS Insurance Policies**") will cease as of the Distribution Time, and that, except as set forth in this Section 4.10, neither ADS nor any member of its Group will purchase any "tail" policy or other additional or substitute coverage for the benefit of Loyalty Ventures or the members of the Loyalty Ventures Group relating to the LoyaltyOne Business applicable in any period after the Distribution Time.

(b) Notwithstanding the foregoing, ADS, for itself and the members of its Group, agrees that ADS or a member of its Group shall, with respect to (x) any act, circumstance, occurrence or incident arising prior to the Distribution Time that relates to the Loyalty Ventures Group or the LoyaltyOne Business that is potentially covered by an occurrence-based insurance policy of ADS or any member of its Group (each, a "**ADS Occurrence-Based Policy**") in effect prior to the Distribution Time, (y) any act, circumstance, occurrence or incident arising or occurring prior to the Distribution Time that relates to the Loyalty Ventures Group or the LoyaltyOne Business that is potentially covered by an insurance policy of ADS or any member of its Group written on a "claims made" basis ("**ADS Claims-Made Policies**") in effect prior to the Distribution Time, or (z) any act, circumstance, occurrence or incident arising or occurring prior to the Distribution Time that relates to the Loyalty Ventures Group or the LoyaltyOne Business that is potentially covered by an insurance policy of ADS or any member of its Group written on a "loss discovered" basis ("**ADS Loss Discovered-Policies**" and together with the ADS Occurrence-Based Policies and the ADS Claims-Made Policies, the "**ADS Shared Policies**") (i) not relinquish any of its rights, or take any actions (other than the making of claims under the ADS Shared Policies including for the benefit of the ADS Group) that could reasonably be expected to reduce or otherwise limit the available coverage for any claim or incident arising prior to the Distribution Time that relates to the Loyalty Ventures Group or the LoyaltyOne Business, under any of the ADS Shared Policies, (ii) upon request of Loyalty Ventures or any member of its Group, report such claim or incident to the appropriate insurer as promptly as practicable and in accordance with the terms and conditions of the applicable ADS Shared Policy and to use commercially reasonable efforts to administer such claims, (iii) include Loyalty Ventures and the applicable member of its Group on material correspondence and possible litigation proceedings relating to such claim or incident and (iv) instruct that such proceeds are paid directly to the injured party in settlement of any claims, rather than to ADS or the members of its Group, or, if such proceeds are received by ADS or any member of its Group, pay such proceeds over to Loyalty Ventures or the applicable member of its Group; *provided* that Loyalty Ventures and the applicable members of its Group shall

notify ADS promptly of any potential claim, shall cooperate in the investigation and pursuit of any claim, shall have the right to effectively associate in the pursuit of any claim, including the ability to withhold its consent to any proposed claim settlement (such consent not to be unreasonably conditioned, withheld or delayed) and shall bear all out-of-pocket expenses incurred by ADS or the members of its Group in connection with the foregoing; *provided further* that ADS and the members of its Group shall be obligated to use only commercially reasonable efforts to pursue any claims that are potentially covered by available ADS Shared Policies and shall not, for the avoidance of doubt, have any obligation to commence any litigation with respect to any matter potentially covered by any ADS Shared Policy unless the costs of such litigation are borne by Loyalty Ventures. Loyalty Ventures shall bear responsibility for any deductible or retention payments required to be made under the ADS Shared Policies in respect of any such claims.

(c) If, after the Distribution Time, Loyalty Ventures or any of the members of its Group reasonably requires any information regarding claims data for renewal purposes or other information pertaining to a claim or to any occurrence or alleged wrongful acts which occurred prior to the Distribution Time (regardless of when such occurrences or alleged wrongful acts may be reported) that could reasonably be expected to give rise to a claim (including any pre-Distribution claims under any ADS Shared Policy) in order to give notice to or make filings with insurance carriers or claims adjustors or administrators or to adjust, administer or otherwise manage a claim, then, subject to the provisions in Section 4.10, ADS shall cause such information to be supplied to Loyalty Ventures or the applicable member of its Group, to the extent such information is in its possession and control or can be reasonably obtained by ADS (or the members of its Group), as applicable, reasonably promptly upon a written request therefor. In furtherance of the foregoing, if any Third Party requires the consent of ADS or any of the members of its Group to the disclosure of claims data or information maintained by an insurance company or other Third Party in respect of any claim (including any pre-Distribution claims under any ADS Shared Policy), such consent shall not be unreasonably withheld, conditioned or delayed.

Section 4.11. *Trademark Phase Out*.

(a) As soon as reasonably practicable, but in any event within one hundred eighty (180) days, following the Distribution Time, Loyalty Ventures shall, and shall cause its Subsidiaries to, cease any and all use of the ADS Names and Marks and remove, conceal, cover, redact and/or replace the ADS Names and Marks from any and all Loyalty Ventures Assets and any other assets and materials under their possession or control bearing such ADS Names and Marks.

(b) As soon as reasonably practicable, but in any event within one hundred eighty (180) days, following the Distribution Time, ADS shall, and shall cause its Subsidiaries to, cease any and all use of the Loyalty Ventures Names and Marks and remove, conceal, cover, redact and/or replace the Loyalty Ventures

Names and Marks from any and all ADS Assets and any other assets and materials under their possession or control bearing such Loyalty Ventures Names and Marks.

Section 4.12. *Governance Matters.* The parties hereto shall take all necessary action within their power to cause Roger Ballou to be appointed as Chairman of the Board of Directors of Loyalty Ventures effective as of the Distribution Time (the "**Overlapping Board Member**"). The Overlapping Board Member's term will expire after three years, with no opportunity for reelection.

ARTICLE 5
RELEASE; INDEMNIFICATION

Section 5.01. *Release of Pre-Distribution Claims.*

(a) Except (i) as provided in Section 5.01(b) and (ii) as otherwise expressly provided in this Agreement or any Ancillary Agreement, each party does hereby, on behalf of itself and each member of its Group, and each of their successors and assigns, release and forever discharge the other party and the other members of such party's Group, and their respective successors and assigns, and all Persons who at any time prior to the Distribution Time have been directors, officers, employees or attorneys serving as independent contractors of such other party or any member of its Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns (collectively, the "**Released Parties**"), from any and all demands, Claims, Actions and Liabilities whatsoever, whether at law or in equity, whether arising under any Contract, by operation of law or otherwise (and including for the avoidance of doubt, those arising as a result of the negligence, strict liability or any other liability under any theory of law or equity of, or any violation of law by, any Released Party), existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Distribution Date. In furtherance of the foregoing, each party shall cause each of the members of its respective Group to, effective as of the Distribution Time, release and forever discharge each of the Released Parties of the other Group as and to the same extent as the release and discharge provided by such party pursuant to the foregoing provisions of this Section 5.01(a).

(b) Nothing contained in Section 5.01(a) shall impair any right of any Person identified in Section 5.01(a) to enforce this Agreement or any Ancillary Agreement. Nothing contained in Section 5.01(a) shall release or discharge any Person from:

(i) any Liability assumed, transferred, assigned, retained or allocated to that Person in accordance with, or any other Liability of that Person under, this Agreement or any of the Ancillary Agreements;

(ii) any Liability that is expressly specified in this Agreement (including Section 2.06 and Section 2.07) or any Ancillary Agreement to continue after the Distribution Time, but subject to any limitation set forth in this Agreement (including Section 2.06 and Section 2.07) or any Ancillary Agreement relating specifically to such Liability;

(iii) any Liability that the parties may have with respect to claims for indemnification, recovery or contribution brought pursuant to this Agreement or any Ancillary Agreement, which Liability shall be governed by the provisions of this Article 5, or, if applicable, the appropriate provisions of the Ancillary Agreements; or

(iv) any Liability the release of which would result in the release of any Person, other than a member of the ADS Group or any related Released Party; *provided*, *however*, that the parties hereto agree not to bring or allow their respective Subsidiaries to bring suit against the other party or any related Released Party with respect to any such Liability.

In addition, nothing contained in Section 5.01(a) shall release any party or any member of its Group from honoring its existing obligations to indemnify, or advance expenses to, any Person who was a director, officer or employee of such party or any member of its Group, at or prior to the Distribution Time, to the extent such Person was entitled to such indemnification or advancement of expenses pursuant to then-existing obligations; *provided*, *however*, that to the extent applicable, Section 5.02 hereof shall determine whether any party shall be required to indemnify the other or a member of its Group in respect of such Liability.

(c) No party hereto shall make, nor permit any member of its Group to make, any Claim or demand, or commence any Action asserting any Claim or demand, including any Claim of contribution or indemnification, against the other party, or any related Released Party, with respect to any Liability released pursuant to Section 5.01(a).

(d) It is the intent of each of the parties by virtue of the provisions of this Section 5.01 to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed on or before the Distribution Date between members of the ADS Group, on the one hand, and members of the Loyalty Ventures Group, on the other hand, (including any Contract existing or alleged to exist between the parties on or before the Distribution Date), except as expressly set forth in Section 5.01(b) or as expressly provided in this Agreement or any Ancillary Agreement. At any time, at the reasonable request of either ADS or Loyalty Ventures, the other party hereto shall execute and deliver (and cause its respective Subsidiaries to execute and deliver) releases reflecting the provisions hereof.

Section 5.02. *Loyalty Ventures Indemnification of the ADS Group.* (a) Effective as of and after the Distribution Time, Loyalty Ventures shall indemnify, defend and hold harmless each member of the ADS Group, each Affiliate thereof and each of their respective past, present and future directors, officers, employees and agents and the respective heirs, executors, administrators, successors and assigns of any of the foregoing (the "**ADS Indemnitees**") from and against any and all Liabilities incurred or suffered by any of the ADS Indemnitees arising out of or in connection with (i) any of the Loyalty Ventures Liabilities, or the failure of any member of the Loyalty Ventures Group to pay, perform or otherwise discharge any of the Loyalty Ventures Liabilities, (ii) any breach by Loyalty Ventures or any member of the Loyalty Ventures Group of this Agreement or any Ancillary Agreement, (iii) the ownership or operation of the LoyaltyOne Business or the Loyalty Ventures Assets, whether prior to, on or after the Distribution Date, (iv) any payments made by ADS or any member of the ADS Group in respect of any Guarantee given or obtained by any member of the ADS Group for the benefit of any member of the Loyalty Ventures Group or the LoyaltyOne Business, or any Liability of any member of the ADS Group in respect thereof, and (v) any use of any ADS Names and Marks by Loyalty Ventures.

(b) Except to the extent set forth in Section 5.03(b), effective as of and after the Distribution Time, Loyalty Ventures shall indemnify, defend and hold harmless each of the ADS Indemnitees and each Person, if any, who controls any ADS Indemnitee within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all Liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in the Form 10 or any amendment thereof, the Information Statement (as amended or supplemented if Loyalty Ventures shall have furnished any amendments or supplements thereto), the Equity Compensation Registration Statement or any offering or marketing materials prepared in connection with the Loyalty Ventures Financing Arrangements or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Section 5.03. *ADS Indemnification of the Loyalty Ventures Group.* (a) Effective as of and after the Distribution Time, ADS shall indemnify, defend and hold harmless each member of the Loyalty Ventures Group, each Affiliate thereof and each of their respective past, present and future directors, officers, employees and agents and the respective heirs, executors, administrators, successors and assigns of any of the foregoing (the "**Loyalty Ventures Indemnitees**") from and against any and all Liabilities incurred or suffered by any of the Loyalty Ventures Indemnitees and arising out of or in connection with (i) any of the ADS Liabilities, or the failure of any member of the ADS Group to pay, perform or otherwise discharge any of the ADS Liabilities, (ii) the ownership or operation of the ADS Business or the ADS Assets, whether prior to, on or after the Distribution Date, (iii) any breach by ADS or any member of the ADS Group of this Agreement or any Ancillary Agreement, and (iv) any use of any Loyalty Ventures Names and Marks by ADS.

(b) Effective as of and after the Distribution Time, ADS shall indemnify, defend and hold harmless each of the Loyalty Ventures Indemnitees and each Person, if any, who controls any Loyalty Ventures Indemnitee within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act from and against any and all Liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in the Form 10 or any amendment thereof, the Information Statement (as amended or supplemented if Loyalty Ventures shall have furnished any amendments or supplements thereto), the Equity Compensation Registration Statement or any offering or marketing materials prepared in connection with the Loyalty Ventures Financing Arrangements or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such Liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based on information furnished by ADS solely in respect of the ADS Group and which information is set forth on Schedule 5.03(b).

Section 5.04. *Procedures*. (a) The party seeking indemnification under Section 5.02 or Section 5.03 (the "**Indemnified Party**") agrees to give prompt notice to the party against whom indemnity is sought (the "**Indemnifying Party**") of the assertion of any claim, or the commencement of any suit, action or proceeding (each, a "**Claim**") in respect of which indemnity may be sought hereunder and will provide the Indemnifying Party such information with respect thereto that the Indemnifying Party may reasonably request. The failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder, except to the extent such failure shall have prejudiced the Indemnifying Party.

(b) The Indemnifying Party shall be entitled to participate in the defense of any Claim asserted by any Third Party ("**Third Party Claim**") and, subject to the limitations set forth in this Section 5.04, if it so notifies the Indemnified Party no later than 30 days after receipt of the notice described in Section 5.04(a), shall be entitled to control and appoint lead counsel for such defense, in each case at its expense. If the Indemnifying Party does not so notify the Indemnified Party, the Indemnified Party shall have the right to defend or contest such Third Party Claim through counsel chosen by the Indemnified Party that is reasonably acceptable to the Indemnifying Party, subject to the provisions of this Section 5.04. The Indemnified Party shall provide the Indemnifying Party and such counsel with such information regarding such Third Party Claim as either of them may reasonably request (which request may be general or specific).

(c) If the Indemnifying Party shall assume the control of the defense of any Third Party Claim in accordance with the provisions of Section 5.04(b), (i) the Indemnifying Party shall obtain the prior written consent of the Indemnified Party (which shall not be unreasonably withheld) before entering into any settlement of such Third Party Claim, if the settlement does not release the

Indemnified Party from all Liabilities and obligations with respect to such Third Party Claim or the settlement imposes injunctive or other equitable relief against the Indemnified Party or any of its related Indemnitees or is otherwise materially prejudicial to any such Person, and (ii) the Indemnified Party shall be entitled to participate in (but not control) the defense of such Third Party Claim and, at its own expense, to employ separate counsel of its choice for such purpose; *provided* that in the event of a conflict of interest between the Indemnifying Party and the applicable Indemnified Party, the reasonable and documented fees and expenses of such separate counsel shall be at the Indemnifying Party's expense. Notwithstanding anything else contained herein, if any claim or matter that may be indemnifiable hereunder involves or relates to any bank or financial regulatory matter affecting ADS, then ADS will have the right to control the defense of such claim or matter (which shall be at Loyalty Ventures' cost if ADS is the Indemnified Party hereunder with respect to such claim or matter).

(d) Each party shall (consistent with Section 4.02) cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Third Party Claim and shall furnish or cause to be furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

(e) Each Indemnified Party shall use commercially reasonable efforts to collect any amounts available under insurance coverage (consistent with Section 4.10), or from any other Person alleged to be responsible, for any Liabilities payable under Section 5.02 or Section 5.03 and the reasonable expenses incurred in connection therewith will be treated as Liabilities subject to indemnification hereunder.

(f) If any Third Party Claim shall be brought against a member of each Group, then such Action shall be deemed to be a Loyalty Ventures Assumed Action or an ADS Assumed Action in accordance with Sections 4.02(a) or 4.02(b), to the extent applicable, and Loyalty Ventures, in the case of any Loyalty Ventures Assumed Action, or ADS, in the case of any ADS Assumed Action, shall be deemed to be the Indemnifying Party for the purposes of this Article 5. In the event of any Action in which the Indemnifying Party is not also named defendant, at the request of either the Indemnified Party or the Indemnifying Party, the parties will use commercially reasonable efforts to substitute the Indemnifying Party or its applicable Affiliate for the named defendant in the Action.

Section 5.05. *Calculation of Indemnification Amount.* Any indemnification amount pursuant to Section 5.02 or Section 5.03 shall be paid (i) net of any amounts actually recovered by the Indemnified Party under applicable Third Party insurance policies or from any other Third Party alleged to be responsible therefor, and (ii) taking into account any Tax benefit realized by the Indemnified Party and any Tax cost incurred by the Indemnified Party arising from the incurrence or payment of the relevant Liabilities. ADS and Loyalty

Ventures agree that, for United States federal income tax purposes, any payment made pursuant to this Article 5 will be treated as provided under Section 12(b) of the Tax Matters Agreement. If the Indemnified Party receives any amounts under applicable Third Party insurance policies, or from any other Third Party alleged to be responsible for any Liabilities, subsequent to an indemnification payment by the Indemnifying Party in respect thereof, then such Indemnified Party shall promptly reimburse the Indemnifying Party for any payment made by such Indemnifying Party in respect thereof up to the amount received by the Indemnified Party from such Third Party insurance policy or Third Party, as applicable.

Section 5.06. *Contribution*. If for any reason the indemnification provided for in Section 5.02 or Section 5.03 is unavailable to any Indemnified Party, or insufficient to hold it harmless, then the Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities in such proportion as is appropriate to reflect the relative fault of the ADS Group, on the one hand, and the Loyalty Ventures Group, on the other hand, in connection with the conduct, statement or omission that resulted in such Liabilities. In case of any Liabilities arising out of or related to information contained in the Form 10 or any amendment thereof, the Information Statement (as amended or supplemented if Loyalty Ventures shall have furnished any amendments or supplements thereto), the Equity Compensation Registration Statement or any offering or marketing materials prepared in connection with the Loyalty Ventures Financing Arrangements, the relative fault of the ADS Group, on the one hand, and the Loyalty Ventures Group, on the other hand, shall be determined by reference to, among other things, whether the untrue statement or alleged untrue statement of a material fact or the omission or alleged omission of a material fact relates to information supplied by Loyalty Ventures or any member of its Group, on the one hand, or ADS or any member of its Group (but solely to the extent such information is set forth on Schedule 5.03(b)), on the other hand.

Section 5.07. *Non-Exclusivity of Remedies*. Subject to Section 5.01, the remedies provided for in this Article 5 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Party at law or in equity; *provided* that the procedures set forth in Sections 5.04 and 5.05 shall be the exclusive procedures governing any indemnity action brought under this Agreement.

Section 5.08. *Survival of Indemnities.* The rights and obligations of any Indemnified Party or Indemnifying Party under this Article 5 shall survive the sale or other transfer of any party or any of its assets, business or liabilities.

Section 5.09. *Ancillary Agreements*. If an indemnification claim is covered by the indemnification provisions of an Ancillary Agreement, the claim shall be made under the Ancillary Agreement to the extent applicable and the provisions thereof shall govern such claim. In no event shall any party be entitled

to double recovery from the indemnification provisions of this Agreement and any Ancillary Agreement.

ARTICLE 6
MISCELLANEOUS

Section 6.01. *Notices.* Any notice, instruction, direction or demand under the terms of this Agreement required to be in writing shall be duly given upon delivery, if delivered by hand, facsimile transmission, mail, or e-mail transmission to the following addresses:

If to ADS to:

Alliance Data Systems Corporation
7500 Dallas Parkway, Suite 700
Plano, Texas 75024
Attn: General Counsel
Email: generalcounsel@alliancedata.com

with a copy to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attn: Louis Goldberg
Email: louis.goldberg@davispolk.com

If to Loyalty Ventures to:

Loyalty Ventures Inc.
7500 Dallas Parkway, Suite 700
Plano, Texas 75024
Attn: General Counsel
Email: generalcounsel@loyalty.com

with a copy to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attn: Louis Goldberg
Email: louis.goldberg@davispolk.com

or such other address or email address as such party may hereafter specify for the purpose by notice to the other party hereto. All such notices, requests and other

communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 6.02. *Plan of Reorganization.* This Agreement, together with the Ancillary Agreements and other documents implementing the Contribution, Distribution, Equity-for-Debt Exchange and Boot Purge, is intended to be, and is hereby adopted as, a "plan of reorganization" within the meaning of Treas. Reg. Section 1.368-2(g).

Section 6.03. *Amendments; No Waivers*. (a) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by ADS and Loyalty Ventures, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

Section 6.04. *Expenses*. ADS and Loyalty Ventures shall each bear the costs and expenses incurred or paid in connection with the Restructuring, the Distribution and any other related transaction, as applicable, set forth below their respective names on Schedule 6.03. All other third-party fees, costs and expenses paid or incurred in connection with the foregoing (except as specifically allocated pursuant to the terms of this Agreement or any Ancillary Agreement) will be paid by the party incurring such fees or expenses, whether or not the Distribution occurs, or as otherwise agreed by the parties in writing.

Section 6.05. *Successors and Assigns*. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; *provided* that neither party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other party hereto. If any party or any of its successors or permitted assigns (i) shall consolidate with or merge into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions shall be made so that the successors and assigns of such party shall assume all of the obligations of such party under the Distribution Documents.

Section 6.06. *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such state.

Section 6.07. *Counterparts; Effectiveness; Third-Party Beneficiaries*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement shall include images of manually executed signatures transmitted by facsimile or other electronic format (including "pdf", "tif" or "jpg") and other electronic signatures (including DocuSign and AdobeSign). The use of electronic signatures and electronic records (including any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based recordkeeping system to the fullest extent permitted by Applicable Law. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Except for Section 4.07 and the indemnification and release provisions of Article 5, neither this Agreement nor any provision hereof is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the parties hereto and their respective successors and permitted assigns.

Section 6.08. *Entire Agreement*. This Agreement and the other Distribution Documents constitute the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter hereof and thereof. No representation, inducement, promise, understanding, condition or warranty not set forth herein or in the other Distribution Documents has been made or relied upon by any party hereto or any member of their Group with respect to the transactions contemplated by the Distribution Documents. Without limiting Section 5.09 and subject to Section 6.08, in the event and to the extent that there shall be a conflict between the provisions of this Agreement and the provisions of any Ancillary Agreement, the Ancillary Agreement shall control with respect to the subject matter thereof, and this Agreement shall control with respect to all other matters; *provided*, that except as provided for in Section 2.04 to extent that there shall be a conflict between the provisions of this Agreement and the provisions of any Restructuring Agreement, this Agreement shall control with respect to all matters.

Section 6.09. *Tax and Employee Matters*. Except as otherwise expressly provided herein, this Agreement shall not govern (i) Tax matters (including any

administrative, procedural and related matters thereto), which shall be exclusively governed by the Tax Matters Agreement and the Employee Matters Agreement, as applicable or (ii) employee matters (including any labor, compensation plans, benefit plans and related matters thereto), which shall be exclusively governed by the Employee Matters Agreement. For the avoidance of doubt, to the extent of any inconsistency between this Agreement and either of the Tax Matters Agreement or Employee Matters Agreement, the terms of the Tax Matters Agreement or Employee Matters Agreement, as the case may be, shall govern.

Section 6.10. *Jurisdiction.* The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in the Chancery Court of the State of Delaware and any state appellate court therefrom within the State of Delaware (or if the Chancery Court of the State of Delaware declines to accept jurisdiction over a particular matter, any federal or state court sitting in the State of Delaware and any federal or state appellate court therefrom), and each of the parties hereby irrevocably consents to the exclusive jurisdiction of such courts in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or outside of the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 6.01 shall be deemed effective service of process on such party.

Section 6.11. *WAIVER OF JURY TRIAL.* EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 6.12. *Termination*. Notwithstanding any provision of this Agreement to the contrary, the Board of Directors of ADS may, in its sole discretion and without the approval of Loyalty Ventures or any other Person, at any time prior to the Distribution terminate this Agreement and/or abandon the Distribution, whether or not it has theretofore approved this Agreement and/or the Distribution. In the event this Agreement is terminated pursuant to the preceding sentence, this Agreement shall forthwith become void and neither party nor any of its directors or officers shall have any liability or further obligation to the other party or any other Person by reason of this Agreement.

Section 6.13. *Severability*. If any one or more of the provisions contained in this Agreement should be declared invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions

contained in this Agreement shall not in any way be affected or impaired thereby so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a declaration, the parties shall modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner so that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

Section 6.14. *Survival*. All covenants and agreements of the parties contained in this Agreement shall survive the Distribution Date indefinitely, unless a specific survival or other applicable period is expressly set forth herein.

Section 6.15. *Captions*. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

Section 6.16. *Interpretation.* In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of its authorship of any of the provisions of this Agreement.

Section 6.17. *Specific Performance*. Each party to this Agreement acknowledges and agrees that damages for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and irreparable harm would occur. In recognition of this fact, each party agrees that, if there is a breach or threatened breach, in addition to any damages, the other nonbreaching party to this Agreement, without posting any bond, shall be entitled to seek and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, attachment, or any other equitable remedy which may then be available to obligate the breaching party (i) to perform its obligations under this Agreement or (ii) if the breaching party is unable, for whatever reason, to perform those obligations, to take any other actions as are necessary, advisable or appropriate to give the other party to this Agreement the economic effect which comes as close as possible to the performance of those obligations (including transferring, or granting liens on, the assets of the breaching party to secure the performance by the breaching party of those obligations).

Section 6.18. *Performance*. Each party shall cause to be performed all actions, agreements and obligations set forth herein to be performed by any member of such party's Group.

Section 6.19. *Confidential Supervisory Information.* Notwithstanding any other provision of this Agreement, no disclosure, representation or warranty shall be made (or other action taken) pursuant to this Agreement that results in the disclosure of confidential supervisory information (including confidential supervisory information as identified in 12 C.F.R. § 309.5(g)(8)) of a

Governmental Authority by any party to this Agreement to the extent prohibited by applicable law. To the extent legally permissible, appropriate substitute disclosures or actions, which may include the disclosure of underlying facts or circumstances that do not themselves constitute confidential supervisory information, shall be made or taken under circumstances in which the limitations of the preceding sentence apply.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the date first above written.

ALLIANCE DATA SYSTEMS CORPORATION

By: /s/ Ralph J. Andretta
Name: Ralph J. Andretta
Title: President and Chief Executive Officer

LOYALTY VENTURES INC.

By: /s/ Charles L. Horn
Name: Charles L. Horn
Title: President and Chief Executive Officer

TRANSITION SERVICES AGREEMENT

THIS TRANSITION SERVICES AGREEMENT (this "**Agreement**"), dated as of November 5, 2021 (the "**Effective Date**"), has been executed by and between Alliance Data Systems Corporation, a Delaware corporation ("**ADS**"), and Loyalty Ventures Inc., a Delaware corporation ("**Loyalty Ventures**") (each, a "**Party**" and collectively, the "**Parties**").

RECITALS

WHEREAS, pursuant to that certain Separation and Distribution Agreement dated November 3, 2021 between the Parties (the "**Separation Agreement**"), the Parties have set forth the principal actions required to effect the Distribution (as defined in the Separation Agreement) and to set forth certain agreements that will govern the relationship between those Parties following the Distribution.

WHEREAS, the Separation Agreement provides that, in connection with the consummation of the transactions contemplated thereby, the Parties will enter into this Agreement, pursuant to which each of ADS and Loyalty Ventures has agreed to (i) provide the Services (as defined below) where it is listed as the Providing Party in Exhibit A and (ii) accept and receive from the Providing Party the Services where it is listed as the Receiving Party in Exhibit A, in each case on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the Parties to this Agreement, intending to be legally bound, agree as follows.

1. DEFINITIONS.

For the purposes of this Agreement, the following capitalized terms are defined in this Section 1 and shall have the meaning specified herein. Other terms that are capitalized but not specifically defined in this Section 1 or in the body of the Agreement shall have the meanings set forth in the Separation Agreement.

1.1 "**Business**" means (a) with respect to ADS, the ADS Business (as defined in the Separation Agreement) and (b) with respect to Loyalty Ventures, the LoyaltyOne Business (as defined in the Separation Agreement) and the operation of the LoyaltyVentures Group.

1.2 "**Confidential Information**" means any and all proprietary and confidential or nonpublic information either Party (or its Affiliates) provides to or receives from the other Party in connection with the provision of the Services hereunder, concerning the business, business relationships (including prospective customers and business partners) and financial affairs of the Parties, their Affiliates or other representatives and third party service providers, whether or not in writing and whether or not labeled or identified as confidential or proprietary, including inventions, trade secrets, technical information, know-how, research and development activities and information disclosed by third parties of a proprietary or confidential nature or under an obligation of confidence; *provided*, *however*, that "Confidential Information" does not include any information that (a) is or becomes generally available to the public other than as a result of disclosure made after the execution of the Separation Agreement by the Party (or its Affiliates) desiring to treat such information as non-confidential, (b) is or becomes available to the Party

desiring to treat such information as non-confidential on a non-confidential basis from a source that is not bound by confidentiality agreements regarding the disclosure of such information, or (c) is required to be disclosed pursuant to a governmental order or decree or other legal requirement, *provided* that the Party required to disclose such information shall give the other Party prompt notice thereof prior to such disclosure and, at the request of the other Party, shall cooperate in all reasonable respects in maintaining the confidentiality of such information, including obtaining a protective order or other similar order. Subject to the proviso in the immediately preceding sentence, all user identification numbers and passwords disclosed to and any information obtained by either Party (or its Affiliates) as a result of its access to and use of the Systems shall be deemed to be, and shall be treated as, Confidential Information.

1.3 "**Consent**" has the meaning set forth in Section 3.2.

1.4 "**Fee**" and "**Fees**" have the meanings set forth in Section 4.1.

1.5 "**FTE**" means a level of effort equal to forty (40) hours per week during the Providing Party's (or its applicable Affiliate's) business hours.

1.6 "**FTE Fee**" means the fee for an FTE that performs an applicable Service, which fee is specified in Exhibit A with respect to such Service.

1.7 "**Providing Party**" shall mean ADS or Loyalty Ventures, as applicable, as indicated in Exhibit A with respect to each Service.

1.8 "**Receiving Party-Funded Payments**" means payments that will be (a) paid by the Receiving Party or its Affiliates directly to a third party service provider or (b) processed by the Providing Party or its Affiliate as part of the Services but that will be funded by Receiving Party or its Affiliates prior to payment through deposit(s) into a Receiving Party operating bank account from which the Providing Party can process the applicable payment, including payroll and accounts payable payments, as such payments are expressly identified on Exhibit A. In circumstances where the Providing Party is processing Receiving Party-Funded Payments, including payroll and accounts payable, the Providing Party shall have no obligation to process such payments if there are not sufficient funds available in the applicable operating bank account to make such payments.

1.9 "**Receiving Party**" shall mean ADS or Loyalty Ventures, as applicable, as indicated in Exhibit A with respect to each Service.

1.10 "**Service Fee**" means the services fee applicable to a category of Services (exclusive of any FTE Fees for such category of Services), which fee includes the cost of certain hardware, software, systems and services used to perform such Services. The Service Fee for each category of Services is set forth on Exhibit A.

1.11 "**Service**" or "**Services**" means, either individually or in the aggregate, as applicable, (a) those services set forth in Exhibit A and (b) those services added to the scope of this Agreement in accordance with Section 2.2.

1.12 "**Systems**" has the meaning specified in Section 2.4.

1.13 "**Transition Period**" means the period of time beginning on the Distribution Date

and ending on the earlier of (a) the expiration or termination date for the last Service in effect (as such final expiration or termination date is set forth on Exhibit A, as such Exhibit may be amended by the Parties in accordance with Section 12.4), and (b) termination of this Agreement in accordance with Section 11.

2. SERVICES.

2.1 Provision of Services. During the Transition Period, the Providing Party shall, subject to the terms and conditions of this Agreement, including Section 2.2 and Exhibit A, provide or cause to be provided to the Receiving Party each individual Service commencing on the Effective Date (unless a later date is specified in Exhibit A) and continuing for the time period associated with such Service as set forth on Exhibit A (the "**Service Period**"), as the applicable Service Period may be extended pursuant to Section 2.3(a) or earlier terminated pursuant to this Agreement. Unless otherwise agreed in an amendment to this Agreement, the Providing Party shall have no obligation to provide a Service beyond the Service Period and any extensions thereof pursuant to Section 2.3(a) specified for such Service or component thereof on Exhibit A.

2.2 Standard of Services and Certain Limitations. Subject to any limitations set forth in Exhibit A and elsewhere in this Agreement, the Providing Party shall provide, or cause its Subsidiaries to provide, the Services to the Receiving Party in a manner that is substantially the same (including with respect to quality, timeliness, care, priority, volume and data security) as the manner the Services (or similar services) were provided by the Providing Party in connection with the operation of the Receiving Party's Business during the 12-month period immediately prior to the date hereof (the "**Baseline Period**"); provided that, for the avoidance of doubt, the foregoing shall not prohibit the Providing Party from changing vendors or making upgrades, updates, improvements or other changes to the extent that such changes, updates, upgrades and do not materially or unnecessarily degrade, delay or otherwise cause the failure of any Service set forth on Exhibit A. Notwithstanding the foregoing, the Providing Party shall not be obligated to provide any Service: (a) to the extent the provision of such Service would exceed any volume, usage or other effort or resource limits (e.g., specified FTEs, hours) specified in Exhibit A (with respect to Services or components thereof for which such limits are specified in Exhibit A); (b) to the extent it would require the Providing Party to use, acquire or allocate personnel, equipment or other resources in excess of the level of resources historically used, acquired or allocated to the provision of such Services by the Providing Party in connection with the operation of the Receiving Party's Business during the Baseline Period; (c) to the extent performance of a Service would require the Providing Party to violate applicable Law (provided that the Providing Party shall use reasonable best efforts to provide Services in a manner that avoids any such violation); or (d) to the extent performance of a Service would require, or could be construed to be or to require, the provision of any legal, accounting, audit, attest, or tax advice or other services that require a professional license, registration or certification (and the Services and all other activities conducted by the Providing Party in connection with this Agreement shall be deemed to exclude any such advice and services). Subject to Section 3.2, the Providing Party will be responsible for its compliance with all contracts and agreements with third parties in the provision of Services. For clarity, except as set forth on Exhibit A, the Services do not include any services or efforts with respect to the Receiving Party's (or its Affiliates') migration to, or integration of, new software applications, networks, systems or processes, whether provided or implemented by the Receiving Party, its Affiliate or a third party, including custom data extraction, migration and conversion, separation from the Providing Party's systems and applications, and any work required to set up any new third party service provider (including, for the avoidance of doubt, any ERP conversion, HR

platform, lease accounting platform, reconciliation tool or other future state platform). The Receiving Party shall not and shall cause its Affiliates not to resell, subcontract, sublicense or otherwise make available any of the Services to any person or permit the use of the Services by any person other than the Receiving Party or one of its Affiliates (and their third-party service providers) in connection with the conduct of the Receiving Party's Business. The Providing Party may provide the Services through its Affiliates or subcontractors and the Providing Party shall have the exclusive right to select, employ, pay, supervise, administer, direct and discharge the personnel who will perform the Services. The Providing Party's use of Affiliates or subcontractors in connection with the Services shall not relieve the Providing Party of its obligations under this Agreement and the Providing Party will be responsible for any actions or inactions by any such person. Without limiting the Providing Party's obligations herein, the Providing Party shall perform the Services in accordance with, and subject to, the Providing Party's internal policies and procedures applicable to the provision of the Services to the extent such internal policies and procedures similarly apply to the operations of the Providing Party and its Affiliates ("**Standard Policies**"). The Receiving Party shall comply with any Standard Policies that were applicable during the Baseline Period and all reasonable Standard Policies implemented after the Effective Date (and will participate, at the Providing Party's expense, in any necessary testing or training with respect thereto), in each case of which the Providing Party provides the Receiving Party prior notice in connection with the receipt of the Services to the extent such policies and procedures apply to the receipt of Services, *provided, however,* the Receiving Party shall not be required to incur any additional expenses in connection with any efforts to comply with the Standard Policies to the extent such Standard Policies were not applicable during the Baseline Period.

2.3 Extension and Discontinuation of Services

(a) Upon the expiration of each applicable Service Period, the obligation of the Providing Party with respect to the provision of the applicable Service shall automatically and immediately terminate. If the Receiving Party desires to continue any Service beyond the applicable Service Period, unless otherwise specified on Exhibit A with respect to a Service, the Receiving Party shall provide a written notice to the Providing Party at least 45 days or, in the case of Services with an initial duration of 12 months as specified on Exhibit A, 60 days prior to the end of the applicable Service Period that describes the Service the Receiving Party desires to extend and the duration of such extension, which for the avoidance of doubt, shall not exceed the Extension Period specified for such Service on Exhibit A (each an "**Extension Period**"). In the event the Receiving Party requests an Extension Period, (i) the Receiving Party shall pay any additional reasonable costs and expenses that the Providing Party will incur solely in connection with the provision of the extended Services during any Extension Period (including the cost of any third-party contract consents, renewals or similar amounts resulting from the provision of the extended Services which would not have been incurred by the Providing Party without the provision of the extended Services and the Providing Party could not have reasonably avoided payment for such periods, even if such amounts are expended for periods after such Extension Period, e.g., if a vendor requires a one-year contract renewal even if the applicable Extension Period is 6 months and the Providing Party would not have otherwise renewed such contract or portion thereof), (ii) the Parties shall document any changes to the applicable Services or related terms in the Agreement as agreed by the Parties in accordance with Section 12.4 with respect to the performance of such Services during the Extension Period and (iii) the Providing Party shall provide such Services during such Extension Period.

(b) If the Receiving Party desires to terminate any Service or portion thereof, the Receiving Party may submit a Termination Request pursuant to Section 11.2(b) with respect to the Service that the Receiving Party desires to terminate.

2.4 Additional Services.

(a) The Providing Party shall consider in good faith any reasonable written request by the Receiving Party or any of its Affiliates for new services that are not reflected in Exhibit A at the time of such request (an "**Additional Service**"); *provided that* the Receiving Party may not request any service that is identified in Exhibit A as unavailable. If the Receiving Party desires to request an Additional Service to be provided hereunder by the Providing Party, the Services Manager for the Receiving Party shall, no later than sixty (60) days prior to the requested commencement date of such Additional Service, provide a written request thereof to the Services Manager for the Providing Party describing such Additional Service and the anticipated commencement date thereof. If an Additional Service is requested that needs to commence within less than sixty (60) days from the Receiving Party's request for such Additional Service, including to comply with a request from a Governmental Entity or any applicable Law, the Parties will use commercially reasonable efforts to assess and make a final determination pursuant to this Section 2.4 in an expedited manner to satisfy the request of the Governmental Entity or to comply with applicable Law, on whether such Additional Service can be provided and the terms and conditions and Fees (which shall be calculated in accordance with the principles used to calculate the Fees for similar Services) for such Additional Service added, notwithstanding the sixty (60) day and thirty (30) day references in Section 2.4(a) and Section 2.4(b), respectively.

(b) Within thirty (30) days following the receipt of such request for an Additional Service, the Services Manager for the Providing Party shall provide the Services Manager for the Receiving Party with a written response to such request setting forth the applicable Fees (which shall be calculated in accordance with the principles used to calculate the Fees for similar Services) for such Additional Service and an assessment as to whether the requested commencement or completion dates can be achieved. Following receipt by the Services Manager for the Recipient Party of such response, the terms and conditions, including the applicable commencement date, the termination date, and the Fees on which such Additional Service, if any, shall be provided by the Providing Party, shall be as mutually agreed upon in writing by the Services Managers for the Parties.

(c) Upon agreement of the Services Managers for the Parties in accordance with this Section 2.4, Exhibit A shall be amended or updated by the Services Managers for the Parties to add any Additional Service and to reflect the Fees applicable to such Additional Service. Any agreed Additional Service shall constitute a Service under this Agreement and be subject in all respects to the provisions of this Agreement as if fully set forth in Exhibit A as of the date hereof. It is understood that the Providing Party may in its sole and absolute discretion decline to provide any such Additional Service and the Receiving Party acknowledges that the Providing Party shall be under no obligation to provide, and may not have the resources, capabilities or capacity to provide, any Additional Service, and may determine not to do so for any reason or no reason; provided that if such Additional Service is required to comply with a request from a Governmental Entity or any applicable Law, and such Additional Service cannot be performed by the Receiving Party itself or cannot be provided by a third party, including outside advisors, the Providing Party shall use commercially reasonable efforts to provide such Additional Service; *provided that*, the Providing Party shall not be required to use commercially reasonable efforts to provide any service that is identified in Exhibit A as unavailable.

(d) If, after the Effective Date, the Providing Party discovers that it, or its Affiliates, is performing any service for the Receiving Party that is not set forth on Exhibit A and is not a service that is incidental and not material in nature as determined by the Providing Party or that is identified in Exhibit A as unavailable, the Providing Party shall inform the Receiving Party in writing and the Receiving Party may request the Providing Party to add this service as an Additional Service pursuant to this Section 2.4. For clarity, if such service is not requested by the Receiving Party to be an Additional Service or the terms and conditions and applicable Fees are not mutually agreed to, the Providing Party may stop performing such service.

2.5 Access to Systems. During the Transition Period, if either Party is given access to the other Party's information technology infrastructure, including network and other equipment, proprietary and third party software, electronic files, and databases (collectively, "**Systems**") in connection with the Services, such Party shall access and use, and cause its Affiliates to access and use, the other Party's Systems solely in accordance with this Agreement and, without limiting the foregoing, solely as necessary to provide or receive the Services, as applicable. Each Party shall limit, and cause its Affiliates to limit, access to the Systems to employees (and, with the other Party's consent, to contractors) of such Party and its Affiliates who the other Party has approved in writing (such approval not to be unreasonably withheld or delayed; provided that ADS may deny access to any individual whom ADS reasonably and good faith believes is not adequately trained to use the Systems) to access the Systems and who have a specific requirement to have such access in connection with this Agreement. All access to the Systems and any portion thereof shall be through secured controlled processes agreed by the Parties prior to any such access and shall be subject to information technology, data security, acceptable use and other policies applicable to the access or use of such Systems and each Party shall comply with all such policies, in each case, to the extent such policies have been provided to the other Party in writing prior to the date of such access. The Providing Party shall be excused from the performance of a Service or portion thereof to the extent the Receiving Party's or its Affiliates' policies applicable to its or their Systems prevent the performance of such Service or portion thereof but only to the extent such policies differ from policies that were applicable during the Baseline Period; *provided, however*, that the Parties will cooperate in good faith to make alternative arrangements and the Providing Party's obligation with respect to the applicable Service shall be to provide as much of the benefit of the applicable Service as is reasonably practicable in compliance with the Receiving Party's or its Affiliates' policies applicable to its or their Systems. Each Party shall cooperate, and cause its Affiliates to cooperate, with the other Party in the investigation of any apparent unauthorized access to any Systems by employees, contractors or other personnel of such Party or any apparent unauthorized use or disclosure of Confidential Information by such personnel.

2.6 Security. If a Party becomes aware that the integrity or security of any Systems or portion thereof used to perform or receive the Services, including any data stored thereon, has been, is being, or is reasonably likely to be, compromised or otherwise materially adversely affected (including if caused by the access to such Systems or portion thereof by the other Party) (a "**Security Issue**"), such Party shall provide the other Party with prompt written notice thereof and shall use its reasonable best efforts to mitigate such Security Issue and the other Party shall provide reasonable cooperation to such Party with respect to such mitigation activities. Notwithstanding the foregoing, if a Party becomes aware of any Security Issue, such Party may suspend the other Party's and its Affiliates' access to such Party's Systems or portion thereof for the purpose of addressing or mitigating the effects of the Security Issue and preventing a recurrence thereof. The other Party's and its Affiliates' access to the applicable System shall be restored once the Security Issue is resolved.

2.7 Data Protection under GDPR.

(a) For the purposes of this Agreement, "**General Data Protection Regulation**" or "**GDPR**" means Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, and the terms "**controller**," "**processor**," "**data subject**," "**personal data**," "**processing**" and "**supervisory authority**" shall have the meaning given in the General Data Protection Regulation. The provisions of this Section 2.7 shall apply only to the extent that the provision of the Services requires the processing of personal data by the Providing Party, either directly or indirectly, on behalf of the Receiving Party and only to the extent the GDPR is applicable to such processing.

(b) Exhibit B describes in more detail the processing of personal data carried out in relation to the provision of the Services.

(c) When the Providing Party acts as a processor for the Receiving Party as controller for the purpose of providing a Service, the Providing Party shall:

(i) process personal data for the sole purpose of providing the Services and only on documented instructions from the controller, including with regard to transfers of personal data outside the European Economic Area or to an international organization (unless the processor is required to do so by European Union, Member State or applicable Law to which the processor is subject, in which case the processor shall inform the controller of that legal requirement unless prohibited by that Law on important grounds of public interest) and immediately inform the controller if, in the processor's opinion, any processing instruction given by the controller infringes the GDPR;

(ii) ensure that all its employees and subcontractors authorized to process personal data are subject to binding confidentiality obligations in respect of the processed personal data;

(iii) taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, implement and maintain appropriate technical and organizational measures to ensure a level of security appropriate to the risk, including as appropriate: (1) the ability to ensure the ongoing confidentiality, integrity, availability and resilience of processing systems and services; (2) the ability to restore the availability and access to personal data in a timely manner in the event of a physical or technical incident; (3) a process for regularly testing, assessing and evaluating the effectiveness of technical and organizational measures for ensuring the security of the processing; and (4) in assessing the appropriate level of security pursuant to this Section 2.7(c)(iii), take account of the risks that are presented by processing, in particular from accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to personal data transmitted, stored or otherwise processed;

(iv) only engage another processor either (1) as permitted under this Agreement, or (2) with the Receiving Party's prior specific written authorization, and in each case by entering into a legally binding written agreement that places same or equivalent data protection

obligations as those set out in this Section 2.7 on the (sub)processor, provided that if the (sub)processor fails to fulfill its data protection obligations the processor shall remain fully liable to the controller for the performance of the (sub)processor's obligations;

(v) taking into account the nature of the processing, assist the Receiving Party by appropriate technical and organizational measures, insofar as this is possible, for the fulfillment of the Receiving Party's obligations to respond to requests for exercising the data subjects' rights laid down in the GDPR;

(vi) when required by the performance of this Agreement and taking into account the nature of processing and the information available to the processor, assist the Receiving Party, including by providing necessary information, in ensuring compliance with the Receiving Party's security, data protection impact assessment, data breach notifications and supervisory authority consultation obligations under the GDPR and any other applicable EU Member State data protection law. Other than as required by applicable law, the Providing Party shall not issue any notification or other communications to the data subjects or applicable supervisory authorities without the Receiving Party's prior written consent;

(vii) promptly notify the Receiving Party of any breach of personal data in relation to the performance of this Agreement after having knowledge of the breach (with a reasonable degree of certainty) so as to enable the Receiving Party to comply with its obligations to notify the relevant supervisory authority and data subjects within the timeframe provided by the GDPR. The Providing Party shall provide all such timely information and cooperation as the Receiving Party may reasonably require in order for the Receiving Party or its designee to investigate such breach and fulfill applicable data breach reporting obligations under GDPR and any other applicable EU Member State data protection law. The Providing Party shall take reasonable measures and actions to remedy or mitigate the effects of the breach and shall, to the extent not prohibited by applicable law, keep the Receiving Party informed of all developments in connection with the breach;

(viii) process personal data for no longer than is necessary for the provision of the Services for which these processing activities are carried out (as further described in Exhibit A). At the Receiving Party's election, delete or return to the Receiving Party all processed personal data and delete existing copies (including any electronically stored personal data) at the end of the provision of the Services (unless European Union or Member State law requires the processor to store the personal data or such retention is necessary for the establishment, exercise or defense of legal claims related to the processor in which case the Providing Party shall only store or retain such personal data as is required by such law or as is necessary in relation to such legal claims, and only until such storage or retention is no longer required by such law or necessary in relation to such legal claims, and shall destroy or return the personal data in accordance with this provision as soon as retention of the personal data is no longer required by law or is no longer necessary in relation to such legal claims); and

(ix) make available to the Receiving Party all information necessary to demonstrate compliance with Article 28 of the GDPR and allow for and cooperate in audits, including inspections, conducted by the Receiving Party's mandated auditor in accordance with and subject to the following conditions (other than to the extent such audit is required due to a request of a supervisory authority whose instructions conflict with the following conditions, in which case the instructions of the supervisory authority will prevail to the extent of the conflict):

(1) audit operations will be conducted by an external independent auditor appointed by the Receiving Party (subject to prior approval of the processor, not to be unreasonably withheld or delayed); (2) audit operations can be conducted only during normal business hours and business days (except as otherwise agreed in writing by the Parties); (3) the Receiving Party may conduct a maximum of one (1) audit per year (except in case of urgency for major issues, in which case the Receiving Party will provide explanation to the audited processor on the reasons for conducting such audit and its urgent nature); (4) any audit will be subject to one (1)-week prior written notice served to the relevant processor; (5) the Receiving Party can only request to have access to information which is strictly required for the purpose of achieving the objectives of the audit, subject to appropriate confidentiality undertakings taken by the processor's designated auditor; (6) the Receiving Party will, and will cause its auditor to, endeavor to minimize any inconvenience or disturbance to the normal operations of the processor's business; (7) the Receiving Party's external auditor will comply with any security measure and other directions provided by the relevant processor; and any cost incurred in connection with an audit requested by the Receiving Party will be borne by the Receiving Party unless the audit comes to the conclusion that the processor is not in compliance with Article 28 of the GDPR, in which case the processor will bear the costs of the relevant audit.

2.8 Data Protection under PIPEDA

(a) The provisions of this Section 2.8 shall apply only to the extent that (i) the performance of the Services requires the processing by the Providing Party of personal data in the control of the Receiving Party, either directly or indirectly, and (ii) the Canadian Privacy Laws are applicable to such activities.

(b) With respect to any Personal Data in the control of the Receiving Party that is processed by the Providing Party on behalf of the Receiving Party, the Providing Party shall (i) process such Personal Data only for the purpose of discharging its obligations hereunder (or as otherwise authorized by the Receiving Party in writing), (ii) promptly advise the Receiving Party of any request by an individual to access, correct or otherwise challenge the accuracy of such Personal Data, or any other communication received by the Providing Party in respect of such Personal Data, including any withdrawal or variation of consent by an individual, and to work, in a timely manner, with the Receiving Party to respond to such requests (which response shall first be approved by the Receiving Party), including by providing access to, correcting and ceasing to use or disclose such Personal Data as requested by such individual, (iii) use all reasonable efforts to protect and safeguard such Personal Data, including to protect such Personal Data from unauthorized or unlawful processing, (iv) return, delete or render irretrievable any such Personal Data in its possession or control at the request and direction of Purchasers at any time during the Term and, in any event, delete or render irretrievable at the expiry or termination of this Agreement, and (v) only process such Personal Data in Canada or such other jurisdictions as the Providing Party may advise the Receiving Party of from time to time.

(c) For the purposes of ensuring compliance with this Section 2.7, the Providing Party shall cooperate with the Receiving Party's reasonable requests to review the Providing Party's privacy practices and procedures from time to time during the Term. In connection with any such audit, the Providing Party shall promptly furnish any information or documentation that the Receiving Party may reasonably request.

(d) As promptly as practicable after any Party becomes aware of any breach of

security, any actual or suspected unauthorized or unlawful conduct or activities, or any breach of the terms of this Agreement, in each case, relating to the processing of Personal Data by the Providing Party on behalf of the Receiving Party, (i) such Party shall notify the other Party in writing, and (ii) the Parties shall take all reasonable actions to address or mitigate the effects of such breach and prevent a recurrence thereof.

(e) For purposes of this Section 2.8, (i) "**Canadian Privacy Laws**" means each applicable private sector, privacy legislation in Canada, including PIPEDA (Personal Information Protection and Electronics Document Act), and (ii) "**Personal Data**" means identified or identifiable information that on its own or combined with other pieces of data can identify an individual.

2.9 Data Protection.

(a) In addition to Section 2.7 and Section 2.8, the Providing Party shall comply with any other data protection regulations or laws applicable to the Providing Party in relation to providing the Services to the Receiving Party. Additionally, the Providing Party shall provide reasonable and timely assistance to the Receiving Party in relation to the Receiving Party's obligations under any applicable data protection regulations or laws relating to the Receiving Party's receipt of the Services.

3. OTHER OBLIGATIONS.

3.1 Cooperation. The Parties shall cooperate in good faith with each other in all reasonable respects in matters relating to the provision and receipt of the Services. The Receiving Party shall provide the Providing Party with such cooperation, access, assistance and information as the Providing Party reasonably requests in connection with the performance of the Services pursuant to this Agreement, including providing to the Providing Party within any reasonable time period requested by the Providing Party answers to questions, information, technical consultations, and access to the Receiving Party personnel, systems and temporary access to facilities as necessary to enable the Providing Party to perform the Services pursuant to this Agreement. The Providing Party shall, and shall cause its personnel, including subcontractor and Affiliate personnel, to comply with the Receiving Party's standard rules and policies regarding access to and use of the Receiving Party's facilities.

3.2 Consents. To the extent the Providing Party's delivery of any Service as described in this Agreement requires the approval, consent, permission, waiver or agreement (each, a "**Consent**") from any relevant third party with whom the Providing Party has an existing contract the Providing Party shall use its reasonable best efforts to obtain a Consent from such third party as necessary to enable the Providing Party to perform the Services. Subject to Section 6.03 of the Separation Agreement (which shall control with respect to matters set forth therein), the Providing Party shall be responsible for the one-time costs of any Consents required under the Providing Party's existing contract and is necessary for the performance of the Services ("**Consent Costs**"), which shall not include the cost of any license or payments attributable to or in respect of goods or services provided under any such contract. The Providing Party shall pay such Consent Costs directly to the relevant third party. The Providing Party's provision of any Services that requires the use or license of intellectual property, services or other assets owned by, licensed or purchased from a third party will be subject to the terms and conditions of any contracts between the

Providing Party (or its Affiliates) and such third party, as well as the terms of any related Consents, if applicable and necessary for the performance of the Services. The Receiving Party shall, and shall cause all of its Affiliates to, comply with the terms of all such contracts and Consents that are applicable to the Receiving Party's access to and use of the Services in connection with the receipt of the Services, and of which the Providing Party provides the Receiving Party with prior written notice. To the extent that any Consent is not obtained, the Parties will cooperate in good faith to make alternative arrangements and the Providing Party's obligation with respect to the applicable Service shall be to provide as much of the benefit of the applicable Service as is reasonably practicable without such Consent and each Party will continue to use its reasonable best efforts to obtain such Consent.

3.3 License to Receiving Party Materials. During the Transition Period, subject to Section 8, the Receiving Party (on behalf of itself and its Affiliates) hereby grants to the Providing Party a non-exclusive license to use the hardware, software, records, manuals, documentation, databases and other intellectual property that is owned by or licensable by the Receiving Party or its Affiliates following the Distribution Date and that is reasonably necessary in order for the Providing Party to provide the applicable Services (collectively, the "**Receiving Party Materials**") solely for the purpose of providing the Services to the Receiving Party during the Transition Period.

3.4 License to Providing Party Materials. During the Transition Period, subject to Section 3.2 and Section 8, the Providing Party (on behalf of itself and its Affiliates) hereby grants to the Receiving Party and its Affiliates a non-exclusive license to use the hardware, software, records, manuals, documentation, databases and other intellectual property that is owned by or licensable by the Providing Party or its Affiliates and that is reasonably necessary in order for the Receiving Party to receive the applicable Services (collectively, the "**Providing Party Materials**") solely for the purpose of receiving the applicable Services during the Transition Period. The Receiving Party may permit a consultant or subcontractor to use such Providing Party Materials for the sole purpose of providing services relating to the Services to the Receiving Party and the Receiving Party shall be responsible for any act or omission of such consultant or subcontractor as if it were performed or not performed by the Receiving Party.

3.5 Reliance. Neither the Providing Party nor any of its Affiliates shall be liable for the impairment of any Service to the extent resulting from the failure of the Receiving Party or its Affiliates to provide the Providing Party with accurate, complete and timely information as reasonably required or reasonably requested in the performance or delivery of any Service.

4. FEES AND PAYMENT.

4.1 Fees and Expenses. The Receiving Party shall pay, in each case in accordance with this Section 4: (i) the fees specified in Exhibit A, including the FTE Fees and the Service Fees (each, a "**Fee**" and collectively, the "**Fees**") for each Service or category of Services, as applicable; (ii) any Termination Expenses; (iii) any Receiving-Party Funded Payments; (iv) where Loyalty Ventures is the Receiving Party, amounts payable in connection with Loyalty Ventures U.S. employees remaining on ADS benefit plans through December 31, 2021, as contemplated by Section 6.01(a) of the Employee Matters Agreement and as detailed in Exhibit A (but excluding, for the avoidance of doubt, any amount payable pursuant to Section 4.1(i)) and (v) to the extent not previously paid by the Receiving Party, any costs, expenses or other amounts for which the Receiving Party is responsible under the Separation Agreement (including Section 6.03 thereof) or other Ancillary Agreement.

4.2 Payment; Invoices. Unless otherwise specified in this Section 4 or in an exhibit hereto, the Providing Party will deliver to the Receiving Party invoices that specify the Fees for the Services (itemized by Service, e.g., Finance, IT, HR) and any other amounts payable under this Agreement. The Receiving Party shall pay any amounts in such invoices within thirty (30) days after receipt.

4.3 Service Provision Taxes. All amounts payable pursuant to this Agreement are exclusive of Service Provision Taxes. The Receiving Party shall pay (or cause to be paid) and be responsible for, on receipt of a valid invoice (or other valid and customary documentation, if any) in compliance with applicable Law and reasonably detailing the applicable Service Provision Taxes (as defined below) and a calculation of the amount due, any sales, use, excise, value-added, service, goods and services, consumption, gross receipts or similar Taxes imposed on or in connection with the provision of Services hereunder by any Governmental Entity ("**Service Provision Taxes**"). The Providing Party shall issue to the Receiving Party a valid and timely invoice separately stating the Service Provision Taxes and shall itemize the taxable and non-taxable portions of the amount due on such invoice. The Receiving Party will then remit to the Providing Party the Service Provision Taxes with payment of the invoiced amount within thirty (30) days after receipt. For clarity, Service Provision Taxes shall not include any Taxes measured by or imposed on the Providing Party's net income or profits nor any interest, penalties or other charges attributable to the Providing Party's improper filing relating to Service Provision Taxes. The Receiving Party shall be entitled to deduct and withhold, or cause to be deducted and withheld, any Taxes as required by applicable Law in connection with any amounts payable pursuant to this Agreement; provided that the Receiving Party will provide notice to the Providing Party (and will use commercially reasonable efforts to provide such notice at least five (5) business days) prior to withholding to give the Providing Party an opportunity to provide additional information or to apply for an exemption from, or a reduced rate of, withholding. Any such amounts withheld or deducted and properly remitted to the applicable Governmental Entity shall be treated for purposes of this Agreement as having been paid to the person in respect of which such deduction or withholding was made. The Parties shall use reasonable best efforts to minimize Service Provision Taxes or Tax withholding to the extent legally permissible (e.g., by applying for exemption certificates or issuing any certificate or similar document that the other Party may require in order to obtain a tax credit, deduction or similar relief) and to calculate any applicable Service Provision Taxes or withholding Tax and to make payment thereof directly to the appropriate Governmental Entity. The Receiving Party shall not be obligated to pay such Service Provision Taxes if and to the extent that the Receiving Party has provided the Providing Party with any valid exemption certificates or other applicable valid documentation that would, to the Providing Party's reasonable satisfaction, eliminate or reduce such Service Provision Taxes. If the Providing Party receives any refund or credit in respect of Service Provision Taxes that are borne by the Receiving Party pursuant to this Agreement, the Providing Party shall promptly pay, or cause to be paid, to the Receiving Party the amount of such refund or such credit (net of any additional Taxes and reasonable related out-of-pocket costs and expenses that the Providing Party incurs as a result of the receipt of such refund or such credit). Except as otherwise specifically provided in this Agreement, Tax matters shall be exclusively governed by the Tax Matters Agreement, and in the event of any inconsistency between the Tax Matters Agreement and this Agreement with respect to Tax matters, the Tax Matters Agreement shall control.

5. OWNERSHIP OF INTELLECTUAL PROPERTY AND OTHER PROPERTY. This Agreement and the performance of the Services hereunder will not affect the ownership of any

property or Intellectual Property rights as set forth in the Separation Agreement and applicable Ancillary Agreements. Neither Party nor its Affiliates will gain, by virtue of this Agreement or the Services provided hereunder, by implication or otherwise, any rights of ownership of any property or Intellectual Property rights of the other Party or its Affiliates. No licenses, express or implied, are being granted by the Parties under this Agreement other than as set forth in Section 3.3 and Section 3.4.

6. COORDINATION AND COMMUNICATION. During the term of this Agreement, ADS and Loyalty Ventures shall each designate a group of individuals who shall work cooperatively with their counterparts to facilitate and administer this Agreement. Each Party shall appoint a principal point of contact with respect to each category of Services described in Exhibit A (each, a "**Services Manager**"), which Services Manager shall be the primary point of contact in relation to issues arising with respect to the applicable category of Services. Either Party may replace a Services Manager with an individual of comparable qualifications and experience by giving notice in writing to the other Party setting forth the name of (i) the Services Manager to be replaced and (ii) the replacement Services Manager. The initial Services Managers for each Party are identified on Exhibit A.

7. CONFIDENTIALITY.

7.1 Obligations. Each Party expressly acknowledges and agrees that all Confidential Information of the other Party shall be maintained by such Party in confidence, using the same degree of care to preserve the confidentiality of such Confidential Information that the Party to whom such Confidential Information is disclosed would use to preserve the confidentiality of its own information of a similar nature and in no event less than a reasonable degree of care. Unless authorized in writing by the other Party, neither Party may use, disclose or permit to be disclosed any Confidential Information of the other Party to any Person, except (a) with respect to the Providing Party, as may be reasonably required in connection with the performance of Services, or with respect to the Receiving Party, as may be reasonably required in connection with the receipt of Services, (b) to the Party's agents, contractors or representatives who need to know such information and are informed by such Party of the confidential nature of the information and are bound to maintain its confidentiality, and (c) to the extent reasonably necessary in connection with the enforcement of the terms or conditions of this Agreement or the Separation Agreement.

8. LIMITATIONS OF LIABILITY. IN NO EVENT WILL EITHER PARTY OR ANY OF ITS AFFILIATES OR REPRESENTATIVES HAVE ANY LIABILITY TO THE OTHER PARTY OR TO ANY OTHER PERSON FOR CONSEQUENTIAL OR OTHER INDIRECT DAMAGES INCLUDING LOST PROFITS (WHICH ARE HEREBY DISCLAIMED) OR ANY SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, ARISING FROM OR RELATED TO THE SERVICES OR THIS AGREEMENT, EXCEPT FOR AND TO THE EXTENT OF ANY DIRECT DAMAGES CAUSED BY SUCH PARTY'S FRAUD, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT IN CONNECTION WITH THIS AGREEMENT OR BREACH OF CONFIDENTIALITY UNDER SECTION 7. WITHOUT LIMITING THE FOREGOING, EXCEPT FOR A PARTY'S LIABILITY FOR INDEMNIFICATION CLAIMS UNDER SECTION 9 OR BREACH OF CONFIDENTIALITY UNDER SECTION 7, IN NO EVENT WILL EITHER PARTY'S OR ANY OF ITS AFFILIATES' OR REPRESENTATIVES' LIABILITY ARISING FROM OR RELATED TO THIS AGREEMENT EXCEED AN AMOUNT EQUAL TO THE AGGREGATE SERVICE FEES AND FTE FEES ACTUALLY PAID TO SUCH PARTY PURSUANT TO THIS AGREEMENT.

9. INDEMNIFICATION

9.1 Indemnification of the Receiving Party. Subject to the first sentence of Section 8, the Providing Party (in its capacity as such) hereby agrees to indemnify and hold the Receiving Party (in its capacity as such), its Affiliates and their respective employees, agents, officers and directors (each, a "**Receiving Party Indemnitee**") harmless from and against any losses, cost, interest, charges, expenses (including reasonable attorneys' fees), obligations, liabilities, settlement payments, awards, judgments, fines, penalties, damages, assessments or deficiencies (collectively, "**Losses**") arising out of, in connection with or by reason of, the Providing Party's or its Affiliates' fraud, gross negligence or willful misconduct in connection with the provision of any Services hereunder.

9.2 Indemnification of the Providing Party. Subject to the first sentence of Section 8, the Receiving Party (in its capacity as such) hereby agrees to indemnify and hold the Providing Party (in its capacity as such) and its Affiliates and their respective employees, agents, officers and directors (each, a "**Providing Party Indemnitee**") harmless from and against any Losses arising out of, in connection with or by reason of the Receiving Party's fraud, gross negligence or willful misconduct in connection with the receipt of any Services hereunder.

9.3 Indemnification Procedures. Section 5.04 of the Separation Agreement shall govern, *mutatis mutandis*, claims for indemnification under Section 9.2 and Section 9.3.

9.4 Calculation of Losses. The amount of any Losses payable under this Agreement by the indemnifying party hereunder shall be net of any amounts recovered by the indemnified party under applicable insurance policies or from any other Person alleged to be responsible therefor. If the indemnified party hereunder receives any amounts under applicable insurance policies, or from any other Person alleged to be responsible for any Losses, subsequent to an indemnification payment by the indemnifying party, then such indemnified party shall promptly reimburse the indemnifying party for any payment made or expense incurred by such indemnifying party in connection with providing such indemnification payment up to the amount received by the indemnified party, net of any expenses incurred by such indemnified party in collecting such amount.

10. DISCLAIMER. WITHOUT LIMITING SECTION 2.2(a), THE SERVICES, AND ANY FACILITIES, EQUIPMENT, AND OTHER ITEMS PROVIDED UNDER THIS AGREEMENT ARE PROVIDED "AS IS." THE PROVIDING PARTY (IN ITS CAPACITY AS SUCH) MAKES NO REPRESENTATIONS OR WARRANTIES UNDER THIS AGREEMENT WITH RESPECT TO THE SERVICES AND SUCH PROVIDING PARTY DISCLAIMS ANY AND ALL REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE SERVICES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF QUALITY, PERFORMANCE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT.

11. TERM AND TERMINATION.

11.1 **Term of Agreement**. Subject to earlier termination in accordance with its terms, the term of this Agreement begins on the Distribution Date and will continue until the earlier of (i) the end of the Transition Period, or (ii) the date on which all Services have been terminated in accordance with Section 11.2 (the "**Term**").

11.2 Term and Termination of Services.

(a) The Service Period of each individual Service shall be as set forth on Exhibit A for such Service.

(b) Except for those Services designated on Exhibit A as not being eligible for early termination the Receiving Party may terminate a Service or Services early by providing a written notice to the Providing Party at least 60 days before the termination date that describes the Service or Services that the Receiving Party is requesting to terminate and the proposed dates of termination (each, a "**Termination Request**"). The Parties will promptly discuss each Termination Request in good faith, taking into consideration circumstances related to each Service contained in the Termination Request, including any interdependencies between such Service and any other ongoing Services, changes required to other Services or Agreement terms in connection with any such termination, and proposed termination timelines. After the Providing Party's receipt of a Termination Request, the Parties will promptly agree on a schedule (it being agreed that such schedules shall provide for termination as soon as reasonably practicable unless otherwise agreed by the parties) for termination of the applicable Services that are the subject of the Termination Request and the Providing Party shall promptly and in good faith advise the Receiving Party in writing of (i) any other Services that are dependent on the Services subject to the Termination Request that must be terminated or modified as a result of the termination of the Services subject to the Termination Request and (ii) the amount, if any, of early termination costs or expenses actually incurred by the Providing Party solely to the extent associated with such termination, including those related to third party providers such as reimbursement for the portion of any prepaid licenses or services agreements applicable to the period between the termination date and the end of the Service Period set forth in Exhibit A or applicable to any periods that the Providing Party was required to extend such licenses or agreements in connection with an extension of such Service as requested by the Receiving Party pursuant to Section 2.3 (such expenses which the Providing Party has advised the Receiving Party of in writing and in good faith, the "**Termination Expenses**") and the Receiving Party shall be responsible for and pay such Termination Expenses in accordance with Section 4. The Receiving Party may withdraw its Termination Request by delivering a written withdrawal notice within 10 days after the Providing Party advises Receiving Party of the amount of any Termination Expenses associated with the applicable termination. If the Receiving Party does not submit such withdrawal notice within such 10-day period, such Termination Request will be final, binding and irrevocable. The Providing Party will use its reasonable best efforts to mitigate any such Termination Expenses. Upon such termination and payment of any Termination Expenses, the Receiving Party's obligation to pay for the terminated Services shall terminate, and the Providing Party shall cease, or cause its Affiliates or third party service providers to cease, providing the terminated Services.

11.3 Termination for Cause.

(a) Each Party may terminate this Agreement immediately, upon written notice if the other Party breaches in any material respect any material term of this Agreement and fails to cure such breach within thirty (30) days after receipt by the breaching Party of written notice from the non-breaching Party describing such breach.

(b) Each Party may terminate this Agreement immediately, upon written notice

if the other Party (i) makes a general assignment for the benefit of creditors, enters into liquidation or petitions or applies to any tribunal for the appointment of a custodial, receiver, administrator, administrative receiver or trustee for all or a substantial part of its assets, or (ii) commences any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation Law of any jurisdiction whether now or hereafter in effect or the other Party has had any such petition or application filed or any such proceeding commenced against it in which an order for relief is entered or an adjudication or appointment is made and which remains undismissed for a period of sixty (60) days or more.

11.4 Effect of Termination. Immediately following the expiration or termination of this Agreement, or the termination of any particular Service, the Providing Party shall cease, or cause its Affiliates or subcontractors to cease, providing the applicable Services. In the event of termination by either Party in accordance with the provisions of this Agreement or expiration of the Agreement, any amount outstanding and payable as of the date of the termination or expiration shall remain payable by the Receiving Party and become due immediately upon termination or expiration. Following the termination of any Service, the Receiving Party shall immediately cease access and use of those Providing Party Systems accessed and used in connection with such Service and shall, as promptly as practicable, return to the Providing Party any equipment or other property of the Providing Party in the possession or control of the Receiving Party to the extent relating to such Service. The following provisions of this Agreement shall survive its termination: Sections 1, 2.7, 2.8, 2.9, 3.5, 4, 5, 7, 8, 9, 10, 11.4 and 12.

12. MISCELLANEOUS.

12.1 Relationship of the Parties. It is agreed and understood that neither Party is the agent, representative or partner of the other Party and neither Party has any authority or power to bind or contract in the name of or to create any liability against the other Party in any way or for any purpose pursuant to this Agreement, and that all Services are provided by the Providing Party (directly or through its Affiliates or subcontractors) as an independent contractor. Nothing contained in this Agreement shall be construed to give either Party the power to direct and control the day-to-day activities of the other Party, constitute the Parties as partners, joint venturers, principal and agent, employer and employee, co-owners, or otherwise as participants in a joint undertaking, or allow either Party to create or assume any obligation on behalf of the other Party for any purpose whatsoever.

12.2 Force Majeure. Neither Party shall be liable for any failure to perform its obligations under this Agreement due to a force majeure event during the Term, including but not limited to an act of God, flood, earthquake, fire, explosion, interruption or defect in the supply of electricity or water, act of government, war, acts of terror, civil commotion, insurrection, embargo, riots, lockouts, inability to obtain raw materials, or labor disputes.

12.3 Notices. All notices and other communications to be given to any Party hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered by hand, courier or overnight delivery service, three days after being mailed by certified or registered mail, return receipt requested, with appropriate postage prepaid, or by e-mail (so long as a receipt of such e- mail is requested and received), and shall be directed to the address set forth below (or at such other address as such Party shall designate by like notice):

(a) If to ADS:

Alliance Data Systems Corporation 7500 Dallas Parkway,
Suite 700
Plano, Texas 75024
Attention: Joseph L. Motes III, Executive Vice President, Chief
Administrative Officer, General Counsel & Secretary
E-mail: generalcounsel@alliancedata.com

with copies (which shall not constitute notice) to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attn: Louis Goldberg
Email: louis.goldberg@davispolk.com

(b) If to Loyalty Ventures:

Loyalty Ventures, Inc.
7500 Dallas Parkway, Suite 700
Plano, Texas 75024
Attention: Cynthia L. Hageman, Executive Vice President, General
Counsel & Secretary
E-mail: generalcounsel@loyalty.com and
investorrelations@loyalty.com

with copies (which shall not constitute notice) to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attn: Louis Goldberg
Email: louis.goldberg@davispolk.com

12.4 Amendments and Waivers.

(a) This Agreement may not be modified or amended except by an instrument or instruments in writing executed and delivered by the Party against whom enforcement of any such modification or amendment is sought. Any Party to this Agreement may, only by an instrument in writing, waive compliance by the other Party to this Agreement with any term or provision of this Agreement on the part of such other Party to this Agreement to be performed or complied with. The waiver by any Party to this Agreement of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

(b) No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

12.5 Dispute Resolution.

(a) Prior to initiating any proceeding relating to any dispute or controversy against the other Party in connection with this Agreement (a "**Dispute**"), the Parties shall attempt in good faith to resolve the Dispute in accordance with this Section 12.5.

(b) The Party initiating the Dispute shall first send written notice of the Dispute to the other Party specifying the nature of the dispute (the "**Dispute Notice**"). The applicable Services Managers shall confer and discuss such Dispute within 5 days after receipt of the Dispute Notice. If the Services Managers cannot agree on a resolution of the Dispute within 10 days after receipt of the Dispute Notice, the Dispute shall be escalated to senior executives designated by each Party for resolution. The applicable Services Manager of the Party initiating the Dispute shall promptly prepare (after consultation with the other Party's Services Manager) for review by such senior executives a summary stating (a) the issues in dispute and each Party's position thereon, (b) a summary of the evidence and arguments supporting each Party's position (attaching all relevant documents) and (c) a summary of the negotiations that have taken place to date.

(c) The senior executives shall conduct good faith discussions within 5 days after receipt of the summary described above. If the senior executives cannot agree on a resolution of the Dispute within 20 days after receipt of the Dispute Notice, either Party may initiate an Action with respect to such Dispute.

12.6 Governing Law; Jurisdiction and Forum; Waiver of Jury Trial.

(a) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. In addition, each of the Parties irrevocably (i) submits to the personal jurisdiction of the Delaware Court of Chancery in and for New Castle County, or in the event (but only in the event) that such Delaware Court of Chancery does not have subject matter jurisdiction over such dispute, the United States District Court for the District of Delaware, or in the event (but only in the event) that such United States District Court also does not have jurisdiction over such dispute, any Delaware State court sitting in New Castle County, in the event any dispute (whether in contract, tort or otherwise) arises out of this Agreement or the transactions contemplated hereby, (ii) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court (and of the appropriate appellate courts therefrom), (iii) waives any objection to the laying of venue of any Action relating to this Agreement or the transactions contemplated thereby in such court, (iv) waives and agrees not to plead or claim in any such court that any Action relating to this Agreement or the transactions contemplated thereby brought in any such court has been brought in an inconvenient forum, and (v) agrees that it will not bring any Action relating to this Agreement or the transactions contemplated hereby in any court other than the Delaware Court of Chancery in and for New Castle County, or in the event (but only in the event) that such Delaware Court of Chancery does not have subject matter jurisdiction over such Action, the United States District Court for the District of Delaware, or in the event (but only in the event) that such United States District Court also does not have jurisdiction over such Action, any Delaware State court sitting

in New Castle County. Process in any such suit, action or proceeding may be served on any Party anywhere in the world, whether within or without the jurisdiction of any such court. Each Party agrees that service of process upon such Party in any such Action shall be effective if notice is given in accordance with Section 12.3.

(b) EACH PARTY TO THIS AGREEMENT WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY AGAINST THE OTHER PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER AGREEMENTS EXECUTED IN CONNECTION HEREWITH OR THE ADMINISTRATION THEREOF OR THE TRANSACTION OR ANY OF THE OTHER TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN. NEITHER PARTY TO THIS AGREEMENT SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEDURE BASED UPON, OR ARISING OUT OF, THIS AGREEMENT. NEITHER PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EACH PARTY TO THIS AGREEMENT CERTIFIES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT OR INSTRUMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS SET FORTH IN THIS SECTION 12.6. NO PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO THE OTHER PARTY THAT THE PROVISIONS OF THIS SECTION 12.6 WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

12.7 Entire Agreement. This Agreement, together with the Separation Agreement and the Ancillary Agreements and the Exhibits and Schedules hereto and thereto constitute the entire agreement between the Parties with respect to the subject matter of this Agreement and supersede any prior discussion, correspondence, negotiation, term sheet, agreement, understanding or arrangement, and there are no agreements, understandings, representations or warranties between the Parties other than those set forth or referred to in this Agreement, the Separation Agreement and the Ancillary Agreements and the Exhibits and Schedules hereto and thereto. In the event of a conflict or inconsistency between the main body of this Agreement and an Exhibit or other attachment hereto the main body of this Agreement shall govern.

12.8 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party hereto. Upon such a determination, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

12.9 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties to this Agreement and their respective successors and permitted assigns; provided that no Party to this Agreement may assign this Agreement without the express prior written consent of the other Party, except that either Party may transfer or assign, in whole or from time to time in part, its rights or obligations under this Agreement to any of its Affiliates. Any attempted assignment in violation of this Section 12.9 shall be null and void *ab initio*.

Notwithstanding the foregoing, either Party hereto may assign or transfer this Agreement and all of its rights and obligations hereunder to any third party that acquires all or substantially all of such Party's assets or business to which this Agreement relates (whether by sale of assets, stock, merger, consolidation, reorganization or otherwise); *provided* that this Agreement and the Services shall not apply to any other business of such third party acquirer. Nor shall this Agreement and the Services apply with respect to any acquisition by the Receiving Party that would materially expand the scope of the Services.

12.10 No Third Party Beneficiaries. Nothing in this Agreement, including the exhibits hereto, is intended to confer in or on behalf of any Person not a party to this Agreement (and their successors and assigns) any rights, benefits, causes of action or remedies with respect to the subject matter or any provision hereof; provided that each of the Parties may enforce any applicable payment or reimbursement obligation set forth in this Agreement on behalf of its Affiliates.

12.11 Non-Recourse. No past, present or future director, officer, employee, incorporator, member, partner, stockholder, Affiliate, agent, attorney or representative of either Party or any of its Affiliates shall have any liability for any obligations or liabilities of such Party for any claim based on, in respect of or by reason of the transactions contemplated by this Agreement.

12.12 Headings; Definitions. The Section and Article headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement.

12.13 Counterparts. This Agreement may be executed in one or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission method (including by facsimile or by e-mail in "pdf" form) shall be as effective as delivery of a manually executed counterpart of this Agreement.

[*Signature page follows*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

ALLIANCE DATA SYSTEMS CORPORATION

By: /s/ Ralph J. Andretta
Name: Ralph J. Andretta
Title: President and Chief Executive Officer

LOYALTY VENTURES INC.

By: /s/ Charles L. Horn
Name: Charles L. Horn
Title: President and Chief Executive Officer

Exhibit 10.2

TAX MATTERS AGREEMENT

between

Alliance Data Systems Corporation,

on behalf of itself and the members of the ADS Group,

and

Loyalty Ventures Inc.,

on behalf of itself and the members of the Loyalty Ventures Group

Dated as of November 5, 2021

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TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT (the "**Agreement**") is entered into as of November 5, 2021 between Alliance Data Systems Corporation ("**ADS**"), a Delaware corporation, on behalf of itself and the members of the ADS Group and Loyalty Ventures Inc. ("**Loyalty Ventures**"), a Delaware corporation, on behalf of itself and the members of the Loyalty Ventures Group.

W I T N E S S E T H:

WHEREAS, pursuant to the Tax laws of various jurisdictions, certain members of the Loyalty Ventures Group presently file certain Tax Returns on an affiliated, consolidated, combined, unitary, fiscal unity or other group basis (including as permitted by Section 1501 of the Internal Revenue Code of 1986, as amended, the "**Code**") with certain members of the ADS Group;

WHEREAS, ADS and Loyalty Ventures have entered into a Separation and Distribution Agreement, dated November 3, 2021 (the "**Separation Agreement**"), pursuant to which the Contribution, the Distribution and other related transactions will be consummated;

WHEREAS, the Restructuring, together with the Contribution, the Distribution, the Equity-for-Debt Exchange and the Boot Purge, are intended to qualify for the Intended Tax Treatment; and

WHEREAS, ADS and Loyalty Ventures desire to set forth their agreement on the rights and obligations of ADS, Loyalty Ventures and the members of the ADS Group and the Loyalty Ventures Group respectively, with respect to (a) the administration and allocation of federal, state, local and foreign Taxes incurred in Taxable periods beginning prior to the Distribution Date, (b) Taxes resulting from the Distribution and transactions effected in connection with the Distribution and (c) various other Tax matters.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the parties agree as follows:

Section 1. *Definitions*. (a) As used in this Agreement:

"**Active Trade or Business**" means the LoyaltyOne Business, the active conduct (as defined in Section 355(b)(2) of the Code, and taking into account Section 355(b)(3) of the Code and the Treasury Regulations thereunder) of which the Loyalty Ventures Group was engaged in immediately prior to the Distribution.

"**ADS**" has the meaning ascribed thereto in the preamble.

"**ADS Business**" has the meaning set forth in the Separation Agreement.

"**ADS Compensatory Equity Interests**" means any options, stock appreciation rights, restricted stock, stock units or other rights with respect to ADS stock that are

granted on or prior to the Distribution Date by any member of the ADS Group in connection with employee, independent contractor or director compensation or other employee benefits (including, for the avoidance of doubt, options, stock appreciation rights, restricted stock, restricted stock units, performance share units or other rights issued in respect of any of the foregoing by reason of the Distribution or any subsequent transaction).

"**ADS Group**" has the meaning set forth in the Separation Agreement.

"**ADS Separate Tax Return**" means any Tax Return that is required to be filed by, or with respect to, a member of the ADS Group that is not a Combined Tax Return.

"**Affiliate**" has the meaning set forth in the Separation Agreement.

"**Agreement**" has the meaning set forth in the preamble.

"**Applicable Law**" (or "**Applicable Tax Law**," as the case may be) has the meaning of "Applicable Law" set forth in the Separation Agreement.

"**Boot Purge**" has the meaning set forth in the Separation Agreement.

"**Business Day**" has the meaning set forth in the Separation Agreement.

"**Cash Proceeds**" has the meaning set forth in the Separation Agreement.

"**Closing of the Books Method**" means the apportionment of items between Taxable periods (or portions of a Taxable period) based on a closing of the books and records on the close of the Distribution Date (in the event that the Distribution Date is not the last day of the Taxable period, as if the Distribution Date were the last day of the Taxable period), subject to adjustment for items accrued on the Distribution Date that are properly allocable to the Taxable period following the Distribution, as determined by ADS in accordance with Applicable Law; *provided* that Taxes not based upon or measured by net or gross income or specific events shall be apportioned between the Pre- and Post-Distribution Periods on a *pro rata* basis in accordance with the number of days in each Taxable period.

"**Code**" has the meaning set forth in the Preamble.

"**Combined Group**" means any group consisting of at least two members that filed or was required to file (or will file or be required to file) a Tax Return on an affiliated, consolidated, combined, unitary, fiscal unity or other group basis (including as permitted by Section 1501 of the Code) that includes at least one member of the ADS Group and at least one member of the Loyalty Ventures Group.

"**Combined Tax Return**" means a Tax Return filed in respect of U.S. federal, state, local or non-U.S. income Taxes for a Combined Group, or any other affiliated, consolidated, combined, unitary, fiscal unity or other group basis (including as permitted by Section 1501 of the Code) Tax Return of a Combined Group.

"**Company**" means ADS or Loyalty Ventures (or the appropriate member of each of their respective Groups), as appropriate.

"**Contribution**" has the meaning set forth in the Separation Agreement.

"**Distribution**" has the meaning set forth in the Separation Agreement.

"**Distribution Date**" has the meaning set forth in the Separation Agreement.

"**Distribution Documents**" has the meaning set forth in the Separation Agreement.

"**Distribution Time**" has the meaning set forth in the Separation Agreement.

"**Equity-for-Debt Exchange**" has the meaning set forth in the Separation Agreement.

"**Equity Interests**" means any stock or other securities treated as equity for Tax purposes, options, warrants, rights, convertible debt, or any other instrument or security that affords any Person the right, whether conditional or otherwise, to acquire stock or to be paid an amount determined by reference to the value of stock.

"**Final Determination**" means (i) with respect to U.S. federal income Taxes, (A) a "determination" as defined in Section 1313(a) of the Code (including, for the avoidance of doubt, an executed IRS Form 906) or (B) the execution of an IRS Form 870-AD (or any successor form thereto), as a final resolution of Tax liability for any Taxable period, except that a Form 870-AD (or successor form thereto) that reserves the right of the taxpayer to file a claim for refund or the right of the IRS to assert a further deficiency shall not constitute a Final Determination with respect to the item or items so reserved; (ii) with respect to Taxes other than U.S. federal income Taxes, any final determination of liability in respect of a Tax that, under Applicable Tax Law, is not subject to further appeal, review or modification through proceedings or otherwise; (iii) with respect to any Tax, any final disposition by reason of the expiration of the applicable statute of limitations (giving effect to any extension, waiver or mitigation thereof); or (iv) with respect to any Tax, the payment of such Tax by any member of the ADS Group or any member of the Loyalty Ventures Group, whichever is responsible for payment of such Tax under Applicable Tax Law, with respect to any item disallowed or adjusted by a Taxing Authority; *provided*, in the case of this clause (iv), that the provisions of Section 15 hereof have been complied with, or, if such section is inapplicable, that the Company responsible under this Agreement for such Tax is notified by the Company paying such Tax that it has determined that no action should be taken to recoup such disallowed item, and the other Company agrees with such determination.

"**Governmental Authority**" has the meaning set forth in the Separation Agreement.

"**Group**" has the meaning set forth in the Separation Agreement.

"**Indemnified Party**" means the party which is entitled to seek indemnification from another party pursuant to the provisions of Section 11.

"**Intended Tax Treatment**" means the qualification of (i) the Contribution and the Distribution, taken together, as a reorganization within the meaning of Section 368(a)(1)(D) of the Code and each of ADS and Loyalty Ventures as a "party to reorganization" within the meaning of Section 368(b) of the Code, (ii) the Distribution as a tax-free transaction under section 355(a) and 361(c) of the Code, (iii) the Equity-for-Debt Exchange as a transfer of "qualified property" to ADS's creditors in connection with the reorganization described in clause (i) for purposes of Section 361(c) of the Code, (iv) the Boot Purge as money distributed to ADS's creditors in connection with the reorganization described in clause (i) for purposes of Section 361(b) of the Code, (v) the transactions described on Schedule A as set forth therein, and (vi) such treatment as described in each of clauses (i)-(v) under the corresponding provisions of state law.

"**IRS**" has the meaning set forth in the Separation Agreement.

"**LoyaltyOne Business**" has the meaning set forth in the Separation Agreement.

"**Loyalty Ventures Carried Item**" shall mean any Tax Attribute of the Loyalty Ventures Group that may or must be carried from one Taxable period to another prior Taxable period under the Code or other Applicable Tax Law.

"**Loyalty Ventures Common Stock**" has the meaning set forth in the Separation Agreement.

"**Loyalty Ventures Compensatory Equity Interests**" means any options, stock appreciation rights, restricted stock, stock units or other rights with respect to the capital stock of Loyalty Ventures that are granted following the Distribution Time by any member of the Loyalty Ventures Group in connection with employee, independent contractor or director compensation or other employee benefits (including, for the avoidance of doubt, options, stock appreciation rights, restricted stock, restricted stock units, performance share units or other rights issued in respect of any of the foregoing by reason of the Distribution or any subsequent transaction).

"**Loyalty Ventures Disqualifying Action**" means (a) any action (or the failure to take any action) by any member of the Loyalty Ventures Group after the Distribution Time (including entering into any agreement, understanding or arrangement or any negotiations with respect to any transaction or series of transactions), (b) any event (or series of events) after the Distribution Time involving the capital stock of Loyalty Ventures or any assets of any member of the Loyalty Ventures Group or (c) any breach by any member of the Loyalty Ventures Group after the Distribution Time of any representation, warranty or covenant made by it in this Agreement, that, in each case, would affect the Intended Tax Treatment; *provided*, *however*, that the term "**Loyalty Ventures Disqualifying Action**" shall not include any action entered into pursuant to any Distribution Document (other than this Agreement) or that is undertaken pursuant to the Restructuring (including the Contribution) or the Distribution.

"**Loyalty Ventures Group**" has the meaning set forth in the Separation Agreement.

"**Loyalty Ventures Separate Tax Return**" means any Tax Return that is required to be filed by, or with respect to, any member of the Loyalty Ventures Group that is not a Combined Tax Return.

"**Person**" has the meaning set forth in Section 7701(a)(1) of the Code.

"**PLR**" has the meaning set forth in the Separation Agreement.

"**PLR Request**" means any letter or other materials submitted by ADS to the IRS in connection with the PLR.

"**Post-Distribution Period**" means any Taxable period (or portion thereof) beginning after the Distribution Date.

"**Pre-Distribution Loyalty Ventures Separate Tax Return**" means any Loyalty Ventures Separate Tax Return that relates in whole or part to a Pre-Distribution Period.

"**Pre-Distribution Period**" means any Taxable period (or portion thereof) ending on or before the Distribution Date.

"**Restructuring**" has the meaning set forth in the Separation Agreement.

"**Specified Event**" means (i) any failure of the Intended Tax Treatment with respect to (A) the Restructuring (including the Contribution) or (B) the Distribution, the Equity-for-Debt Exchange or the Boot Purge or (ii) any other event, in the case of clause (i) or (ii), that results in (x) a liability for Taxes with respect to a Pre-Distribution Period imposed on any member of the ADS Group and (y) a Tax Attribute with respect to any member of the Loyalty Ventures Group.

"**Separation Agreement**" has the meaning set forth in the recitals.

"**Separation Taxes**" means any Taxes incurred solely as a result of the failure of the Intended Tax Treatment of the Restructuring (or any step or transaction that is a part thereof, including the Contribution) or the Distribution, the Equity-for-Debt Exchange or the Boot Purge.

"**Straddle Tax Returns**" means a Tax Return of a member of the Loyalty Ventures Group with respect to a taxable period that includes but does not end on the Distribution Date.

"**Tax**" (and the correlative meaning, "**Taxes,**" "**Taxing**" and "**Taxable**") means (i) any tax, including any net income, gross income, gross receipts, recapture, alternative or add-on minimum, sales, use, business and occupation, value-added, trade, goods and services, ad valorem, franchise, profits, net wealth, license, business royalty, withholding, payroll, employment, capital, excise, transfer, recording, severance, stamp, occupation,

premium, property, asset, real estate acquisition, environmental, custom duty, impost, obligation, assessment, levy, tariff or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest and any penalty, addition to tax or additional amount imposed by a Taxing Authority; or (ii) any liability of any member of the ADS Group or the Loyalty Ventures Group for the payment of any amounts described in clause (i) as a result of any express or implied obligation to indemnify any other Person.

"**Tax Attribute**" means net operating loss, net capital loss, unused investment credit, unused foreign tax credit, excess charitable contribution, unused general business credit, alternative minimum tax credit or any other Tax Item that could reduce a Tax liability.

"**Tax Advisor**" means Davis Polk & Wardwell LLP.

"**Tax Item**" means any item of income, gain, loss, deduction, credit, recapture of credit or any other item that can increase or decrease Taxes paid or payable.

"**Tax Opinion**" shall mean the legal opinion or legal opinions delivered to ADS by the Tax Advisor with respect to certain U.S. federal income tax consequences of the Restructuring, the Contribution and/or the Distribution, the Equity-for-Debt Exchange or the Boot Purge.

"**Tax Proceeding**" means any Tax audit, dispute, examination, contest, litigation, arbitration, action, suit, claim, cause of action, review, inquiry, assessment, hearing, complaint, demand, investigation or proceeding (whether administrative, judicial or contractual).

"**Tax-Related Losses**" means, with respect to any Taxes imposed pursuant to any settlement, determination, judgment or otherwise, (i) all accounting, legal and other professional fees, and court costs incurred in connection with such Taxes, as well as any other out-of-pocket costs incurred in connection with such Taxes and (ii) all damages, costs, and expenses associated with stockholder litigation or controversies and any amount paid by any member of the ADS Group or any member of the Loyalty Ventures Group in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Taxing Authority.

"**Tax Refund**" means any refund, reimbursement, offset, credit, or other similar benefit in respect of Taxes (including any overpayment of Taxes that can be refunded or, alternatively, applied against other Taxes payable), including any interest paid on or with respect to such refund of Taxes.

"**Tax Representation Letters**" means the representations provided by Loyalty Ventures and ADS to the Tax Advisor in connection with the rendering by the Tax Advisor of the Tax Opinion.

"**Tax Return**" means any Tax return, statement, report, form, election, bill, certificate, claim or surrender (including estimated Tax returns and reports, extension

requests and forms, and information returns and reports), or statement or other document or written information filed or required to be filed with any Taxing Authority, including any amendment thereof, appendix, schedule or attachment thereto.

"**Taxing Authority**" means any Governmental Authority (domestic or foreign), including, without limitation, any state, municipality, political subdivision or governmental agency, responsible for the imposition, assessment, administration, collection, enforcement or determination of any Tax.

"**Transfer Taxes**" means all U.S. federal, state, local or non-U.S. sales, use, privilege, value added, transfer, documentary, stamp, duties, real estate transfer, controlling interest transfer, recording and similar Taxes and fees (including any penalties, interest or additions thereto) imposed upon any member of the ADS Group or any member of the Loyalty Ventures Group in connection with the Restructuring (including the Contribution), the Distribution, the Equity-for-Debt Exchange or the Boot Purge.

"**Treasury Regulations**" means the regulations promulgated from time to time under the Code as in effect for the relevant taxable period.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	**Section**
Compensation Liability	Section 7(b)
Compensation Tax Benefit	Section 7(b)
Due Date	Section 12(a)
Indemnified Party	Section 11(d)
Past Practices	Section 4(f)(i)
Proposed Acquisition Transaction	Section 9(b)(iv)
PTI	Section 5(b)
Section 336(e) Election	Section 10(a)
Section 9(b)(iv)(F) Acquisition Transaction	Section 9(b)(iv)
Tax Arbiter	Section 24
Tax Materials	Section 9(a)
Tax Refund Recipient	Section 8(c)

(c) All capitalized terms used but not defined herein shall have meanings set forth in the Separation Agreement. Any term used in this Agreement which is not defined in this Agreement or the Separation Agreement shall, to the extent the context requires, have the meaning assigned to it in the Code or the applicable Treasury Regulations thereunder (as interpreted in administrative pronouncements and judicial decisions) or in comparable provisions of Applicable Tax Law.

Section 2. *Sole Tax Sharing Agreement.* Any and all existing Tax sharing agreements or arrangements, written or unwritten, between any member of the ADS Group, on the one hand, and any member of the Loyalty Ventures Group, on the other hand, if not previously terminated, shall be terminated as of the Distribution Date without

any further action by the parties thereto. Following the Distribution, no member of the Loyalty Ventures Group or the ADS Group shall have any further rights or liabilities thereunder, and this Agreement and the Distribution Documents (to the extent such Distribution Documents reflect an agreement between the Parties as to Tax sharing) shall be the sole Tax sharing agreement between the members of the Loyalty Ventures Group on the one hand, and the members of the ADS Group, on the other hand.

Section 3. *Allocation of Taxes*.

(a) *General Allocation Principles*. Except as provided in Section 3(c) or Section 11, all Taxes shall be allocated as follows:

(i) *Allocation of Taxes for Combined Tax Returns*. Except as provided in Section 3(b), ADS shall be allocated all Taxes reported, or required to be reported, on any Combined Tax Return that any member of the ADS Group files or is required to file under the Code or other Applicable Tax Law; *provided, however,* that to the extent any such Combined Tax Return includes any Tax Item attributable to (A) any member of the Loyalty Ventures Group or (B) the LoyaltyOne Business, in each case, in respect of any Post-Distribution Period, Loyalty Ventures shall be allocated all Taxes attributable to such Tax Items as determined by ADS in its reasonable discretion.

(ii) Allocation of Taxes Reflected on Separate Tax Returns.

(A) ADS shall be allocated all Taxes reported, or required to be reported, on (x) an ADS Separate Tax Return and (y) a Pre-Distribution Loyalty Ventures Separate Tax Return; *provided, however,* that to the extent any such Pre-Distribution Loyalty Ventures Separate Tax Return includes any Tax Item attributable to (A) any member of the Loyalty Ventures Group or (B) the LoyaltyOne Business, in each case, in respect of any Post-Distribution Period, Loyalty Ventures shall be allocated all Taxes attributable to such Tax Items as determined by ADS in its reasonable discretion.

(B) Loyalty Ventures shall be allocated all Taxes reported, or required to be reported, on a Loyalty Ventures Separate Tax Return other than a Pre-Distribution Loyalty Ventures Separate Tax Return.

(iii) Taxes Not Reported on Tax Returns.

(A) ADS shall be allocated any Tax attributable to any member of the ADS Group that is not required to be reported on a Tax Return.

(B) Loyalty Ventures shall be allocated any Tax attributable to any member of the Loyalty Ventures Group that is not required to be reported on a Tax Return.

(b) *Allocation Conventions*. Except as otherwise set forth in Section 3(c):

(i) All Taxes allocated pursuant to Section 3(a) shall be allocated in accordance with the Closing of the Books Method; *provided, however,* that if a Loyalty Ventures Group member does not close its Taxable year on the Distribution Date, the Tax attributable to the operations of the members of the Loyalty Ventures Group for any Pre-Distribution Period shall be the Tax computed using a hypothetical closing of the books consistent with the Closing of the Books Method (except to the extent otherwise agreed upon by ADS and Loyalty Ventures).

(ii) Any Tax Item of Loyalty Ventures or any member of the Loyalty Ventures Group arising from a transaction engaged in outside the ordinary course of business on the Distribution Date after the Distribution Time shall be allocable to Loyalty Ventures and any such transaction by or with respect to Loyalty Ventures or any member of the Loyalty Ventures Group occurring after the Distribution Time shall be treated for all Tax purposes (to the extent permitted by Applicable Tax Law) as occurring at the beginning of the day following the Distribution Date in accordance with the principles of Treasury Regulations Section 1.1502-76(b) (assuming no election is made under Treasury Regulations Section 1.1502-76(b)(2)(ii) (relating to a ratable allocation of a year's Tax Items)); *provided* that the foregoing shall not include any action that is undertaken pursuant to the Restructuring (including the Contribution) or the Distribution.

(c) *Special Allocation Rules.* Notwithstanding any other provision in this Section 3, the following Taxes shall be allocated as follows:

(i) *Transfer Taxes.* Transfer Taxes shall be allocated 50% to ADS and 50% to Loyalty Ventures, *provided* that with respect to any such Transfer Tax that is recoverable, ADS or Loyalty Ventures, as applicable, shall use commercially reasonable efforts to recover, all or a portion of, such Transfer Tax from the relevant Tax authority.

(ii) *Taxes Relating to ADS Compensatory Equity Interests*. Any Tax liability (including, for the avoidance of doubt, the satisfaction of any withholding Tax obligation) relating to the issuance, exercise, vesting or settlement of any ADS Compensatory Equity Interest shall be allocated in a manner consistent with Section 7.

(iii) *Section 965 Taxes*. Liability for any installment payments required to be made pursuant to the election made by a member of the ADS Group or a member of the Loyalty Ventures Group (that was a member of such Loyalty Ventures Group prior to the Distribution Date) under Section 965(h) of the Code, and any adjustments thereto, shall be allocated to ADS.

(iv) *Taxes Covered by Distribution Documents*. Subject to the preceding clauses of this Section 3(c) and Section 11, any liability or other matter relating to Taxes that is specifically addressed in any Distribution Document shall be allocated or governed as provided in such Distribution Document.

Section 4. *Preparation and Filing of Tax Returns*.

(a) *Combined Tax Returns*.

(i) ADS shall prepare and file, or cause to be prepared and filed, Combined Tax Returns for which a member of a Combined Group is required or, as provided in Section 4(f)(iii), elects to file a Combined Tax Return. Each member of any such Combined Group shall execute and file such consents, elections and other documents as may be required, appropriate or otherwise requested by ADS in connection with the filing of such Combined Tax Returns.

(ii) To the extent the Combined Tax Return reflects operations of Loyalty Ventures Group for a Taxable period that includes the Distribution Date, ADS shall include in such Combined Tax Return the results of such member of the Loyalty Ventures Group, as the case may be, on the basis of the Closing of the Books Method to the extent permitted by Applicable Tax Law.

(b) *Straddle Tax Returns and Pre-Distribution Loyalty Ventures Separate Tax Returns*. Loyalty Ventures shall prepare, or cause to be prepared, all Straddle Tax Returns and all Pre-Distribution Loyalty Ventures Separate Tax Returns. Loyalty Ventures shall submit to ADS a copy of each Straddle Tax Return and each Pre-Distribution Loyalty Ventures Separate Tax Return no later than 30 days prior to the date such Tax Return is required to be filed, and Loyalty Ventures shall reflect any reasonable comments on such Tax Returns with respect to a Pre-Distribution Period provided by ADS no later than 10 days prior to the date such Tax Return is required to be filed. Loyalty Ventures shall not file or cause to be filed any Straddle Tax Returns or Pre-Distribution Loyalty Ventures Separate Tax Returns without the consent of ADS, which consent shall not be unreasonably withheld or delayed. The Parties shall work together to resolve any issues arising out of the review of such Tax Returns pursuant to Section 24. Loyalty Ventures shall file, or cause to be filed, any such Straddle Tax Returns and Pre-Distribution Loyalty Ventures Separate Tax Returns required to be filed.

(c) *Other Loyalty Ventures Separate Tax Returns*. Loyalty Ventures shall prepare and file (or cause to be prepared and filed) all Loyalty Ventures Separate Tax Returns other than Pre-Distribution Loyalty Ventures Separate Tax Returns.

(d) *Provision of Information; Timing*. Loyalty Ventures shall maintain all necessary information for ADS (or any of its Affiliates) to file any Tax Return that ADS is required or permitted to file under this Section 4, and shall provide to ADS all such necessary information in accordance with the ADS Group's past practice. ADS shall maintain all necessary information for Loyalty Ventures (or any of its Affiliates) to file any Tax Return that Loyalty Ventures is required or permitted to file under this Section 4, and shall provide Loyalty Ventures with all such necessary information in accordance with the Loyalty Ventures Group's past practice. Without limiting the foregoing, the party that files, or causes to be filed, any Tax Return shall maintain contemporaneous transfer pricing documentation, in compliance with all applicable laws, with respect to such Tax Returns.

(e) *Review of Combined Tax Returns with Loyalty Ventures Tax Liability.* ADS shall submit to Loyalty Ventures a draft of the portions of any Combined Tax Returns that relate solely to any member of the Loyalty Ventures Group and that reflect a Tax liability allocated to Loyalty Ventures pursuant to Section 3(a)(i). ADS shall use (x) commercially reasonable efforts to make such portions of a Tax Return available for review as required under this paragraph no later than 30 days prior to the due date for filing of such Tax Return and (y) commercially reasonable efforts to have such Tax Return modified to reflect any reasonable comments provided by Loyalty Ventures no later than 10 days prior to the due date for filing, taking into account the party responsible for payment of the Tax (if any) reported on such Tax Return and the materiality of the Tax liability allocable to the requesting party with respect to such Tax Return.

(f) *Special Rules Relating to the Preparation of Tax Returns*.

(i) *General Rule*. Except as provided in this Section 4(f), Loyalty Ventures shall prepare (or cause to be prepared) any Tax Return, with respect to Taxable periods (or portions thereof) ending prior to or on the Distribution Date, for which it is responsible under this Section 4 in accordance with past practices, accounting methods, elections or conventions ("**Past Practices**") used by the members of the ADS Group prior to the Distribution Date with respect to such Tax Return to the extent permitted by Applicable Law, and to the extent any items, methods or positions are not covered by Past Practices, as directed by ADS in its reasonable discretion to the extent permitted by Applicable Law.

(ii) *Consistency with Intended Tax Treatment*. All Tax Returns that include any member of the ADS Group or any member of the Loyalty Ventures Group shall be prepared in a manner that is consistent with the Intended Tax Treatment.

(iii) *Election to File Combined Tax Returns*. ADS shall have the sole discretion to file any Combined Tax Return if the filing of such Tax Return is elective under Applicable Tax Law. Each member of any such Combined Group shall execute and file such consents, elections and other documents as may be required, appropriate or otherwise requested by ADS in connection with the filing of such Combined Tax Returns.

(iv) *Preparation of Transfer Tax Returns*. The Company required under Applicable Tax Law to file any Tax Returns in respect of Transfer Taxes shall prepare and file (or cause to be prepared and filed) such Tax Returns. If required by Applicable Tax Law, ADS and Loyalty Ventures shall, and shall cause their respective Affiliates to, cooperate in preparing and filing, and join the execution of, any such Tax Returns.

(v) *Payment of Taxes.* ADS shall pay (or cause to be paid) to the proper Taxing Authority the Tax shown as due on any Tax Return for which a member of the ADS Group is responsible for filing under this Section 4, and Loyalty Ventures shall pay (or cause to be paid) to the proper Taxing Authority

the Tax shown as due on any Tax Return for which a member of the Loyalty Ventures Group is responsible for filing under Section 4. If any member of the ADS Group is required to make a payment to a Taxing Authority for Taxes allocated to Loyalty Ventures under Section 3, Loyalty Ventures shall pay the amount of such Taxes to ADS in accordance with Section 11 and Section 12. If any member of the Loyalty Ventures Group is required to make a payment to a Taxing Authority for Taxes allocated to ADS under Section 3, ADS shall pay the amount of such Taxes to Loyalty Ventures in accordance with Section 11 and Section 12.

Section 5. *Apportionment of Earnings and Profits and Tax Attributes*.

(a) Tax Attributes arising in a Pre-Distribution Period will be allocated to (and the benefits and burdens of such Tax Attributes will inure to) the members of the ADS Group and the members of the Loyalty Ventures Group in accordance with ADS's historical practice as determined by ADS in its sole discretion (including historical methodologies for making corporate allocations), if any, the Code, Treasury Regulations, and any applicable state, local and foreign law.

(b) Upon the reasonable request of Loyalty Ventures in writing, ADS shall in good faith, based on information reasonably available to it, advise Loyalty Ventures in writing, as soon as reasonably practicable after the receipt of such request, of ADS's estimate of the portion, if any, of any earnings and profits, previously taxed earnings and profits (within the meaning of Section 959 of the Code ("**PTI**")), Tax Attributes, tax basis, overall foreign loss or other consolidated, combined or unitary attribute which ADS determines is expected to be allocated or apportioned to the members of the Loyalty Ventures Group under Applicable Tax Law. In the event of any adjustments to the previously delivered estimates of the portion of earnings and profits, Tax Attributes, Tax basis, overall foreign loss or other consolidated, combined or unitary attribute determined by ADS, ADS shall promptly advise Loyalty Ventures in writing of such adjustment. Loyalty Ventures shall reimburse ADS for all reasonable third-party costs and expenses actually incurred by the ADS Group in connection with providing such estimation requested by Loyalty Ventures within forty-five (45) days after receiving an invoice from ADS therefor. For the avoidance of doubt, ADS shall not be liable to any member of the Loyalty Ventures Group for any failure of any determination under this Section 5(b) to be accurate under Applicable Tax Law, provided such determination was made in good faith. All members of the Loyalty Ventures Group shall prepare all Tax Returns in accordance with the written notices provided by ADS to Loyalty Ventures pursuant to this Section 5(b).

(c) Except as otherwise provided herein, to the extent that the amount of any earnings and profits, PTI, Tax Attributes, Tax basis, overall foreign loss or other consolidated, combined or unitary attribute allocated to members of the ADS Group or the Loyalty Ventures Group pursuant to Section 5(b) is later reduced or increased by a Taxing Authority or as a result of a Tax Proceeding, such reduction or increase shall be allocated to the Company to which such earnings and profits, Tax Attributes, Tax basis,

overall foreign loss or other consolidated, combined or unitary attribute was allocated pursuant to this Section 5, as determined by ADS in good faith.

Section 6. *Utilization of Tax Attributes*.

(a) *Amended Returns.* Any amended Tax Return or claim for a Tax Refund with respect to any member of the Loyalty Ventures Group may be made only by the party responsible for preparing the original Tax Return with respect to such member of the Loyalty Ventures Group pursuant to Section 4.

(b) *ADS Discretion*. Loyalty Ventures hereby agrees that ADS shall be entitled to determine in its sole discretion whether to (x) file or to cause to be filed any claim for a Tax Refund or adjustment of Taxes with respect to any Combined Tax Return in order to claim in any Pre-Distribution Period any Loyalty Ventures Carried Item, (y) make or cause to be made any available elections to waive the right to claim in any Pre-Distribution Period, with respect to any Combined Tax Return, any Loyalty Ventures Carried Item, and (z) make or cause to be made any affirmative election to claim in any Pre-Distribution Period any Loyalty Ventures Carried Item, in each case, to the extent such election or filing does not result in any increase in Tax allocated to a member of the Loyalty Ventures Group under this Agreement (including, for the avoidance of doubt, any amounts allocated to Loyalty Ventures pursuant to Section 3(c)). Subject to Section 6(c), Loyalty Ventures shall submit a written request to ADS in order to seek ADS's consent with respect to any of the actions described in this Section 6(b).

(c) *Loyalty Ventures Carrybacks to Combined Tax Returns*.

(i) Subject to Section 6(b), each member of the Loyalty Ventures Group shall elect, to the extent permitted by Applicable Tax Law, to forgo the right to carry back any Loyalty Ventures Carried Item from a Post-Distribution Period to a Combined Tax Return.

(ii) If a member of the Loyalty Ventures Group determines that it is required by Applicable Tax Law to carry back any Loyalty Ventures Carried Item to a Combined Tax Return, it shall notify ADS in writing of such determination at least 90 days prior to filing the Tax Return on which such carryback will be reflected. Such notification shall include a description in reasonable detail of the basis for any expected Tax Refund and the amount thereof. If ADS disagrees with such determination, the parties shall resolve their disagreement pursuant to the procedures set forth in Section 24.

(iii) For the avoidance of doubt, if a Loyalty Ventures Carried Item is carried back to a Combined Tax Return for any reason, unless ADS Group consents otherwise, no member of the ADS Group shall be required to make any payment to, or otherwise compensate, any member of the Loyalty Ventures Group in respect of such Loyalty Ventures Carried Item, which consent may be subject to such conditions as ADS Group determines in its good faith discretion (including, for example, Loyalty Ventures bearing all associated costs and

expenses and retaining an accounting firm that is acceptable to ADS Group in connection therewith).

(d) *Carryforwards to Separate Tax Returns.* If a portion or all of any Tax Attribute is allocated to a member of a Combined Group pursuant to Section 5 and (i) is carried forward or back to a Pre-Distribution Loyalty Ventures Separate Tax Return, or (ii) is carried forward or back to a ADS Separate Tax Return, any Tax Refunds arising from such carryforward or carryback shall be retained by the ADS Group.

Section 7. *Deductions and Reporting for Certain Awards*.

(a) *Deductions.* To the extent permitted by Applicable Tax Law, income Tax deductions with respect to the issuance, exercise, vesting or settlement after the Distribution Date of any ADS Compensatory Equity Interests or Loyalty Ventures Compensatory Equity Interests shall be claimed (A) in the case of an active officer or employee, solely by the Group that employs such Person at the time of such issuance, exercise, vesting, or settlement, as applicable; (B) in the case of a former officer or employee, solely by the Group that was the last to employ such Person; and (C) in the case of a director or former director (who is not an officer or employee or former officer or employee of a member of either Group), by the Group that is the service recipient with respect to such director or former director with respect to the ADS Compensatory Equity Interests or Loyalty Ventures Compensatory Equity Interests at issue (or, in the case of Loyalty Ventures Compensatory Equity Interests that are issued in exchange for or in respect of ADS Compensatory Equity Interests, with respect to such ADS Compensatory Equity Interests).

(b) ADS shall be entitled to the value of the overall net reduction in actual cash Taxes paid by the Loyalty Ventures Group (determined on a "with and without" basis) (the "**Compensation Tax Benefit**") resulting from the utilization by the Loyalty Ventures Group under Applicable Tax Law of a Tax Attribute or a Tax deduction for a Taxable period ending after the Distribution Date attributable to (i) the issuance, exercise, vesting or settlement after the Distribution Date of any ADS Compensatory Equity Interests, or (ii) any liability with respect to compensation required to be paid or satisfied by, or otherwise allocated to, any member of the ADS Group in accordance with any Distribution Document (and not reimbursed or otherwise ultimately borne by a member of the Loyalty Ventures Group) (a "**Compensation Liability**"). ADS shall be entitled to reduce any amount that would otherwise be payable to a member of the Loyalty Ventures Group in respect of a Compensation Liability to reflect the Compensation Tax Benefit that would otherwise would result from such Compensation Liability. Any member of the Loyalty Ventures Group that receives a Compensation Tax Benefit shall, promptly following the filing of the Tax Return that reflects such Compensation Tax Benefit, pay to ADS an amount in cash equal to such benefit (except to the extent ADS has already been compensated for such benefit pursuant to the immediately precedent sentence). If a Taxing Authority subsequently reduces or disallows the use of a Tax Attribute or a Tax deduction that gave rise to a Compensation Tax Benefit by the Loyalty Ventures Group, ADS shall return an amount equal to the overall net increase in Tax liability of the Loyalty Ventures Group owing to the Taxing Authority as a result thereof.

(c) *Withholding and Reporting*. All applicable withholding and reporting responsibilities (including all income, payroll or other Tax reporting related to income to any current or former employee) with respect to the issuance, exercise, vesting or settlement of such ADS Compensatory Equity Interests or Loyalty Ventures Compensatory Equity Interests shall be the responsibility of the Party to which such responsibility has been prescribed by Section 9.02 of the Employee Matters Agreement. ADS and Loyalty Ventures acknowledge and agree that the parties shall cooperate with each other and with third-party providers to effectuate withholding and remittance of Taxes, as well as required Tax reporting, in a timely manner.

Section 8. *Tax Refunds*.

(a) *ADS Tax Refunds*. Except as provided by Section 8(b), ADS shall be entitled to all Tax Refunds received by any member of the ADS Group or any member of the Loyalty Ventures Group, including but not limited to Tax Refunds resulting from the matters set forth on Schedule C. Loyalty Ventures shall not be entitled to any Tax Refunds received by any member of the ADS Group or the Loyalty Ventures Group, except as set forth in Section 8(b).

(b) *Loyalty Ventures Tax Refunds.* Loyalty Ventures shall be entitled to any Tax Refunds received by any member of the ADS Group or any member of the Loyalty Ventures Group after the Distribution Date with respect to any Tax allocated to a member of the Loyalty Ventures Group under this Agreement.

(c) A Company (a "**Tax Refund Recipient**") receiving (or realizing) a Tax Refund to which another Company is entitled hereunder shall pay over the amount of such Tax Refund (including interest received from the relevant Taxing Authority, but net of any Taxes imposed with respect to such Tax Refund or the payment of such Tax Refund and any other reasonable costs associated therewith incurred after the Distribution Time, including third-party expenses incurred after the Distribution Time in connection with the application for or any Tax Proceeding with respect to such Tax Refund) within thirty (30) days of receipt thereof (or from the due date for payment of any Tax reduced thereby); *provided, however*, that the other Company, upon the request of such Tax Refund Recipient, shall repay the amount paid to the other Company (plus any penalties, interest or other charges imposed by the relevant Taxing Authority) in the event that, as a result of a subsequent Final Determination, a Tax Refund that gave rise to such payment is subsequently disallowed.

Section 9. *Certain Representations and Covenants*.

(a) *Representations*.

(i) ADS, on behalf of itself and all other members of the ADS Group, hereby represents and warrants that (i) it has examined the PLR, the PLR Request, the Tax Opinion, the Tax Representation Letters and any other materials delivered or deliverable in connection with the issuance of the PLR, the PLR Request, the Tax Opinion and the Tax Representation Letters (collectively, the "**Tax**

Materials") and (ii) the facts presented and representations that have been or will be made therein, to the extent descriptive of or otherwise relating to ADS or any member of the ADS Group or the ADS Business, were or will be, at the time presented or represented and from such time until and including the Distribution Date, true, correct, and complete in all material respects. ADS, on behalf of itself and all other members of the ADS, hereby confirms and agrees to comply with any and all covenants and agreements in the Tax Materials applicable to ADS or any member of the ADS Group or the ADS Business.

(ii) Loyalty Ventures, on behalf of itself and all other members of the Loyalty Ventures Group, hereby represents and warrants that (i) it has examined the Tax Materials and (ii) the facts presented and representations that have been or will be made therein, to the extent descriptive of or otherwise relating to Loyalty Ventures or any member of the Loyalty Ventures Group or the LoyaltyOne Business, were or will be, at the time presented or represented and from such time until and including the Distribution Date, true, correct, and complete in all material respects. Loyalty Ventures, on behalf of itself and all other members of the Loyalty Ventures Group, hereby confirms and agrees to comply with any and all covenants and agreements in the Tax Materials applicable to Loyalty Ventures or any member of the Loyalty Ventures Group or the LoyaltyOne Business.

(iii) Each of ADS, on behalf of itself and all other members of the ADS Group, and Loyalty Ventures, on behalf of itself and all other members of the Loyalty Ventures Group, represents and warrants that it knows of no fact (after due inquiry) that may cause the treatment of the Reorganization or the Distribution to be other than the Intended Tax Treatment.

(iv) Each of ADS, on behalf of itself and all other members of the ADS Group, and Loyalty Ventures, on behalf of itself and all other members of the Loyalty Ventures Group, represents and warrants that it has no plan or intent to take any action which is inconsistent with any statements or representations made in the Tax Materials.

(v) Loyalty Ventures and each other member of the Loyalty Ventures Group represents that as of the date hereof, and covenants that as of the Distribution Date, there is no plan or intention to:

(A) liquidate Loyalty Ventures or to merge or consolidate any member of the Loyalty Ventures Group with any other Person subsequent to the Distribution, other than liquidation of entities listed in Schedule B;

(B) sell, transfer or otherwise dispose of any material asset of any member of the Loyalty Ventures Group, except in the ordinary course of business;

(C) repurchase stock of Loyalty Ventures other than in a manner that satisfies the requirements of Section 4.05(1)(b) of IRS Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by IRS Revenue Procedure 2003-48) and consistent with any representations made in the Tax Materials;

(D) take or fail to take any action in a manner that management of Loyalty Ventures knows, or should know, is reasonably likely to contravene any agreement with a Taxing Authority entered into prior to the Distribution Date to which any member of the Loyalty Ventures Group or the ADS Group is a party; or

(E) enter into any negotiations, agreements, or arrangements with respect to transactions or events (including stock issuances, pursuant to the exercise of options or otherwise, option grants, the adoption of, or authorization of shares under, a stock option plan, capital contributions, or acquisitions, but not including the Distribution) that could reasonably be expected to cause the Distribution to be treated as part of a plan (within the meaning of Section 355(e) of the Code) pursuant to which one or more Persons acquire directly or indirectly Loyalty Ventures stock representing a 50% or greater interest within the meaning of Section 355(d)(4) of the Code.

(b) *Covenants*.

(i) Loyalty Ventures shall not, and shall not permit any other member of the Loyalty Ventures Group to, take or fail to take any action that constitutes a Loyalty Ventures Disqualifying Action.

(ii) Loyalty Ventures shall not, and shall not permit any other member of the Loyalty Ventures Group to, take or fail to take any action that is inconsistent with the information and representations set forth in the Tax Materials.

(iii) Loyalty Ventures shall not, and shall not permit any other member of the Loyalty Ventures Group to, take or fail to take any action in a manner that management of Loyalty Ventures knows, or should know, is reasonably likely to contravene any agreement with a Taxing Authority entered into prior to the Distribution Date to which any member of the Loyalty Ventures Group or the ADS Group is a party.

(iv) During the two-year period following the Distribution Date:

(A) Loyalty Ventures shall (v) maintain its status as a company engaged in the Active Trade or Business for purposes of Section 355(b)(2) of the Code, (w) not engage in any transaction that would result in it ceasing to be a company engaged in the Active Trade or Business for purposes of Section 355(b)(2) of the Code, (x) cause each other member

of the Loyalty Ventures Group whose Active Trade or Business is relied upon for purposes of qualifying the Distribution for the Intended Tax Treatment to maintain its status as a company engaged in such Active Trade or Business for purposes of Section 355(b)(2) of the Code and any such other Applicable Tax Law, (y) not engage in any transaction or permit any other member of the Loyalty Ventures Group to engage in any transaction that would result in a member of the Loyalty Ventures Group described in clause (x) hereof ceasing to be a company engaged in the relevant Active Trade or Business for purposes of Section 355(b)(2) of the Code or such other Applicable Tax Law, taking into account Section 355(b)(3) of the Code for purposes of each of clauses (v) through (y) hereof; and (z) not dispose of or permit a member of the Loyalty Ventures Group to dispose of, directly or indirectly, any interest in a member of the Loyalty Ventures Group described in clause (x) hereof;

(B) Loyalty Ventures shall not repurchase stock of Loyalty Ventures in a manner contrary to the requirements of Section 4.05(1)(b) of IRS Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by IRS Revenue Procedure 2003-48) or inconsistent with any representations in the Tax Materials;

(C) Loyalty Ventures shall not, and shall not agree to, merge, consolidate or amalgamate with any other Person;

(D) Loyalty Ventures shall not, and shall not permit any other member of the Loyalty Ventures Group to, or to agree to, sell or otherwise issue to any Person, any Equity Interests of Loyalty Ventures or of any other member of the Loyalty Ventures Group; *provided*, *however*, that Loyalty Ventures may issue Equity Interests to the extent such issuances satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulations Section 1.355-7(d);

(E) Loyalty Ventures shall not, and shall not permit any other member of the Loyalty Ventures Group to (I) solicit any Person to make a tender offer for, or otherwise acquire or sell, the Equity Interests of Loyalty Ventures or any member of the Loyalty Ventures Group, (II) participate in or support any unsolicited tender offer for, or other acquisition, issuance or disposition of, the Equity Interests of Loyalty Ventures or any member of the Loyalty Ventures Group or (III) approve or otherwise permit any proposed business combination or any transaction which, in the case of clauses (I), (II) or (III), individually or in the aggregate, together with (x) the Debt-for Equity Exchange and (y) any other transaction occurring within the four-year period beginning on the date which is two years before the Distribution Date and any other transaction which is part of a plan or series of related transactions (within

the meaning of Section 355(e) of the Code) that includes the Distribution, could result in one or more Persons acquiring (except for acquisitions that otherwise satisfy Safe Harbor VIII (relating to acquisitions in connection with a person's performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulation Section 1.355-7(d)) directly or indirectly stock representing a 40% or greater interest, by vote or value, in Loyalty Ventures (or any successor thereto) (any such transaction, a "**Proposed Acquisition Transaction**"); *provided further* that any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code shall be incorporated in the restrictions in this clause (iv) and the interpretation thereof;

(F) if any member of the Loyalty Ventures Group proposes to enter into any transaction or series of transactions that is not a Proposed Acquisition Transaction but would be a Proposed Acquisition Transaction if the percentage reflected in the definition of Proposed Acquisition Transaction were 25% instead of 40% (a "**Section 9(b)(iv)(F) Acquisition Transaction**"), Loyalty Ventures shall provide ADS, no later than 10 Business Days following the signing of any written agreement with respect to the Section 9(b)(iv)(F) Acquisition Transaction, a written description of such transaction (including the type and amount of Equity Interests of Loyalty Ventures to be issued or sold in such transaction) and a certificate of the board of directors of Loyalty Ventures to the effect that the Section 9(b)(iv)(F) Acquisition Transaction is not a Proposed Acquisition Transaction; and

(G) Loyalty Ventures shall not, and shall not permit any other member of the Loyalty Ventures Group to, amend its certificate of incorporation (or other organizational documents), or take any other action, whether through a stockholder vote or otherwise, affecting the voting rights of the Equity Interests of Loyalty Ventures (including, without limitation, through the conversion of one class of Equity Interests of Loyalty Ventures into another class of Equity Interests of Loyalty Ventures).

(v) Loyalty Ventures shall not take or fail to take, or permit any other member of the Loyalty Ventures Group to take or fail to take, any action which prevents or could reasonably be expected to result in Tax treatment that is inconsistent with the Intended Tax Treatment.

(c) *Loyalty Ventures Covenants Exceptions*. Notwithstanding the provisions of Section 9(b), Loyalty Ventures and the other members of the Loyalty Ventures Group may take any action that would reasonably be expected to be inconsistent with the covenants contained in Section 9(b), if either: (i) Loyalty Ventures notifies ADS of its proposal to take such action and Loyalty Ventures and ADS obtain a ruling from the IRS to the effect that such action will not affect the Intended Tax Treatment, *provided* that

Loyalty Ventures agrees in writing to bear any expenses associated with obtaining such a ruling and, *provided further* that the Loyalty Ventures Group shall not be relieved of any liability under Section 11(a) of this Agreement by reason of seeking or having obtained such a ruling; or (ii) Loyalty Ventures notifies ADS of its proposal to take such action and obtains an unqualified opinion of counsel (A) from a Tax advisor recognized as an expert in federal income Tax matters and acceptable to ADS in its sole discretion, (B) on which ADS may rely and (C) to the effect that such action "will" not affect the Intended Tax Treatment, *provided* that the Loyalty Ventures Group shall not be relieved of any liability under Section 11(a) of this Agreement by reason of having obtained such an opinion.

Section 10. *Tax Receivables Arrangements*.

(a) *Section 336(e) Election.* Pursuant to Treasury Regulations Sections 1.336- 2(h)(1)(i) and 1.336-2(j), ADS and Loyalty Ventures agree that, in ADS's discretion, a timely protective election under Section 336(e) of the Code and the Treasury Regulations issued thereunder and under any comparable provisions of state, local or non-U.S. law for each member of the Loyalty Ventures Group that is a domestic corporation for U.S. federal income Tax purposes with respect to the Distribution (a "**Section 336(e) Election**") will be made, and, in such case, ADS and Loyalty Ventures shall take all necessary or helpful actions to facilitate the Section 336(e) Election. It is intended that a Section 336(e) Election will have no effect unless the Distribution is a "qualified stock disposition," as defined in Treasury Regulations Section 1.336(e)-1(b)(6), by reason of the application of Treasury Regulations Section 1.336-1(b)(5)(i)(B) or Treasury Regulations Section 1.336-1(b)(5)(ii), or under any comparable provisions of state, local or non-U.S. law in any other jurisdiction.

(b) *ADS TRA.* If any Specified Event results in the imposition of a liability on the part of a member of the ADS Group for Taxes (including any Taxes attributable to the Section 336(e) Election) that are not allocated to Loyalty Ventures pursuant to Section 3 or Section 11, (i) ADS shall be entitled to periodic payments from Loyalty Ventures equal to the product of (x) 85% of the Tax savings attributable to Tax Attributes arising from such Specified Event and (y) the percentage of Taxes arising from such Specified Event that are not allocated to Loyalty Ventures pursuant to Section 3 or Section 11, and (ii) the Parties shall negotiate in good faith the terms of a tax receivable agreement to govern the calculation of such payments; *provided* that any such tax savings in clause (i) shall be determined using a "with and without" methodology (treating any Tax Attribute arising from any Specified Event as the last items claimed for any Taxable year, including after the utilization of any carryforwards). Notwithstanding the foregoing, ADS may, at its sole discretion, waive its right to receive any and all payments pursuant to this Section 10(b).

Section 11. *Indemnities*.

(a) *Loyalty Ventures Indemnity to ADS.* Subject to the limitations set forth in Section 11(c), except in the case of any liabilities described in Section 11(b), Loyalty Ventures and each other member of the Loyalty Ventures Group shall jointly and

severally indemnify ADS and the other members of the ADS Group against, and hold them harmless, without duplication, from:

(i) any Tax liability allocated to Loyalty Ventures pursuant to Section 3;

(ii) any Tax liability and Tax-Related Losses attributable to a breach, after the Distribution Time by Loyalty Ventures or any other member of the Loyalty Ventures Group of any representation, covenant or provision contained in this Agreement (including, for the avoidance of doubt, any Taxes and Tax-Related Losses resulting from any breach for which the conditions set forth in Section 9(c) are satisfied);

(iii) any Separation Taxes and Tax-Related Losses attributable to a Loyalty Ventures Disqualifying Action (including, for the avoidance of doubt, any Taxes and Tax-Related Losses resulting from any action for which the conditions set forth in Section 9(c) are satisfied); and

(iv) all liabilities, costs, expenses (including, without limitation, reasonable expenses of investigation and attorneys' fees and expenses), losses, damages, assessments, settlements or judgments arising out of or incident to the imposition, assessment or assertion of any Tax liability or damage described in (i), (ii) or (iii), including those incurred in the contest in good faith in appropriate proceedings relating to the imposition, assessment or assertion of any such Tax, liability or damage.

(b) *ADS Indemnity to Loyalty Ventures*. Subject to the limitations set forth in Section 11(c), except in the case of any liabilities described in Section 11(a), ADS and each other member of the ADS Group will jointly and severally indemnify Loyalty Ventures and the other members of the Loyalty Ventures Group against, and hold them harmless, without duplication, from:

(i) any Tax liability allocated to ADS pursuant to Section 3;

(ii) any Tax liability and Tax-Related Losses attributable to a breach, after the Distribution Time by ADS or any other member of the ADS Group of any representation, covenant or provision contained in this Agreement; and

(iii) all liabilities, costs, expenses (including, without limitation, reasonable expenses of investigation and attorneys' fees and expenses), losses, damages, assessments, settlements or judgments arising out of or incident to the imposition, assessment or assertion of any Tax liability or damage described in (i) or (ii), including those incurred in the contest in good faith in appropriate proceedings relating to the imposition, assessment or assertion of any such Tax, liability or damage.

(c) *Cross Indemnity.* To the extent that any Tax or Tax-Related Loss is subject to indemnity pursuant to both Sections 11(a) and 11(b), responsibility for such

Tax or Tax-Related Loss shall be shared by ADS and Loyalty Ventures according to relative fault.

(d) For purposes of this Section 11, the term "**Indemnified Party**" means (x) the relevant member of the ADS Group in the event any member of the ADS Group is entitled to indemnity under Section 11(a) and (y) the relevant member of the Loyalty Ventures Group in the event any member of the Loyalty Ventures Group is entitled to indemnity under Section 11(b).

(e) *Discharge of Indemnity*. Loyalty Ventures, ADS and the members of their respective Groups shall discharge their obligations under Section 11(a) or Section 11(b) hereof, respectively, by paying the relevant amount in accordance with Section 12, within thirty (30) Business Days of demand therefor or, to the extent such amount is required to be paid to a Taxing Authority prior to the expiration of such thirty (30) Business Days, at least ten (10) Business Days prior to the date by which the demanding party is required to pay the related Tax liability. Any such demand shall include a statement showing the amount due under Section 11(a) or Section 11(b), as the case may be. Notwithstanding the foregoing, if any member of the Loyalty Ventures Group or any member of the ADS Group disputes in good faith the fact or the amount of its obligation under Section 11(a) or Section 11(b), then no payment of the amount in dispute shall be required until any such good faith dispute is resolved in accordance with Section 24 hereof; *provided*, *however*, that any amount not paid within thirty (30) Business Days of demand therefor shall bear interest as provided in Section 12.

(f) *Tax Benefits*. If an indemnification obligation of any Indemnifying Party under this Section 11 arises in respect of an adjustment that makes allowable to an Indemnitee any Tax benefit which would not, but for such adjustment, be allowable, then any such indemnification obligation shall be an amount equal to (i) the amount otherwise due but for this Section 11(f), minus (ii) the reduction in actual cash Taxes payable by the Indemnitee in the Taxable year such indemnification obligation arises, determined on a "with and without" basis.

Section 12. *Payments*.

(a) *Timing*. All payments to be made under this Agreement (excluding, for the avoidance of doubt, any payments to a Taxing Authority described herein) shall be made in immediately available funds. Except as otherwise provided, all such payments will be due thirty (30) Business Days after the receipt of notice of such payment or, where no notice is required, thirty (30) Business Days after the fixing of liability or the resolution of a dispute (the "**Due Date**"). Payments shall be deemed made when received. Any payment that is not made on or before the Due Date shall bear interest at the rate equal to the "prime" rate as published on such Due Date in the Wall Street Journal, Eastern Edition, for the period from and including the date immediately following the Due Date through and including the date of payment. With respect to any payment required to be made under this Agreement, ADS shall make such payment directly to Loyalty Ventures and Loyalty Ventures to ADS; provided, however, ADS has the right to designate, by written notice to Loyalty Ventures, which member of the ADS Group will

make or receive such payment, and vice versa (unless such designation will result in unreimbursed costs for the non-designating party that cannot be mitigated with commercially reasonable efforts). All indemnification payments shall be treated in the manner described in Section 12(b).

(b) *Treatment of Payments*. To the extent permitted by Applicable Tax Law, any payment made by ADS or any member of the ADS Group to Loyalty Ventures or any member of the Loyalty Ventures Group, or by Loyalty Ventures or any member of the Loyalty Ventures Group to ADS or any member of the ADS Group, pursuant to this Agreement, the Separation Agreement or any other Distribution Document that relates to Taxable periods (or portions thereof) ending on or before the Distribution Date shall be treated by the parties hereto for all Tax purposes as a distribution by Loyalty Ventures to ADS, or a capital contribution from ADS to Loyalty Ventures, as the case may be; *provided, however,* that notwithstanding anything to the contrary in this Section 12(b), any payment made pursuant to Section 2.08(c) of the Separation Agreement shall instead be treated as if the party required to make a payment of received amounts had received such amounts as agent for the other party; *provided further* that any payment made pursuant to (i) Section 4 of the Transition Services Agreement and (ii) other commercial arrangements, if any, between members of the ADS Group, on the one hand, and members of the Loyalty Ventures Group, on the other hand, that will continue to be in effect following the Distribution Date shall instead be treated as a payment for services or as required in light of the nature of such commercial arrangements. ADS and Loyalty Ventures shall, and shall cause their Affiliates to, use commercially reasonable efforts to cooperate and take reasonable actions to minimize any Tax liability in connection with a payment under this Section 12(b). In the event that a Taxing Authority asserts that a party's treatment of a payment described in this Section 12(b) should be other than as required herein, such party shall use its reasonable best efforts to contest such assertion in a manner consistent with Section 15 of this Agreement.

(c) *No Duplicative Payment.* It is intended that the provisions of this Agreement shall not result in a duplicative payment of any amount required to be paid under the Separation Agreement or any other Distribution Document, and this Agreement shall be construed accordingly.

Section 13. *Guarantees*. ADS and Loyalty Ventures, as the case may be, each hereby guarantees and agrees to otherwise perform the obligations of each other member of the ADS Group or the Loyalty Ventures Group, respectively, under this Agreement.

Section 14. *Communication and Cooperation*.

(a) *Consult and Cooperate.* ADS and Loyalty Ventures shall consult and cooperate (and shall cause each other member of their respective Groups to consult and cooperate) fully at such time and to the extent reasonably requested by the other party in connection with all matters subject to this Agreement. Such cooperation shall include, without limitation:

(i) the retention, and provision on reasonable request, of any and all information including all books, records, documentation or other information pertaining to Tax matters relating to the Loyalty Ventures Group (or, in the case of any Tax Return of the ADS Group, the portion of such return that relates to Taxes for which the Loyalty Ventures Group may be liable pursuant to this Agreement), any necessary explanations of information, and access to personnel, until one year after the expiration of the applicable statute of limitation (giving effect to any extension, waiver or mitigation thereof);

(ii) the execution of any document that may be necessary (including to give effect to Section 15) or helpful in connection with any required Tax Return or in connection with any audit, proceeding, suit or action; and

(iii) the use of the parties' commercially reasonable efforts to obtain any documentation from a Governmental Authority or a third party that may be necessary or helpful in connection with the foregoing.

(b) *Provide Information.* Except as set forth in Section 15, ADS and Loyalty Ventures shall keep each other reasonably informed with respect to any material development relating to the matters subject to this Agreement.

(c) *Tax Attribute Matters.* ADS and Loyalty Ventures shall promptly advise each other with respect to any proposed Tax adjustments that are the subject of an audit or investigation, or are the subject of any proceeding or litigation, and that may affect any Tax liability or any Tax Attribute (including, but not limited to, basis in an asset or the amount of earnings and profits) of any member of the Loyalty Ventures Group or any member of the ADS Group, respectively.

(d) *Confidentiality and Privileged Information*. Any information or documents provided under this Agreement shall be kept confidential by the party receiving the information or documents, except as may otherwise be necessary in connection with the filing of required Tax Returns or in connection with any audit, proceeding, suit or action. Without limiting the foregoing (and notwithstanding any other provision of this Agreement or any other agreement), (i) no member of the ADS Group or Loyalty Ventures Group, respectively, shall be required to provide any member of the Loyalty Ventures Group or ADS Group, respectively, or any other Person access to or copies of any information or procedures other than information or procedures that relate solely to Loyalty Ventures, the business or assets of any member of the Loyalty Ventures Group, or matters for which Loyalty Ventures or ADS Group, respectively, has an obligation to indemnify under this Agreement, and (ii) in no event shall any member of the ADS Group or the Loyalty Ventures Group, respectively, be required to provide any member of the Loyalty Ventures Group or ADS Group, respectively, or any other Person access to or copies of any information if such action could reasonably be expected to result in the waiver of any privilege. Notwithstanding the foregoing, in the event that ADS or Loyalty Ventures, respectively, determines that the provision of any information to any member of the Loyalty Ventures Group or ADS Group, respectively, could be commercially detrimental or violate any law or agreement to which ADS or Loyalty

Ventures, respectively, is bound, ADS or Loyalty Ventures, respectively, shall not be required to comply with the foregoing terms of this Section 14(d) except to the extent that it is able, using commercially reasonable efforts, to do so while avoiding such harm or consequence (and shall promptly provide notice to ADS or Loyalty Ventures, to the extent such access to or copies of any information is provided to a Person other than a member of the ADS Group or Loyalty Ventures Group (as applicable)).

Section 15. *Audits and Contest*.

(a) *Notice*. Each of ADS or Loyalty Ventures shall promptly notify the other in writing upon the receipt of any notice of Tax Proceeding from the relevant Taxing Authority or upon becoming aware of an actual or potential Tax Proceeding by a Taxing Authority that may affect the liability of any member of the Loyalty Ventures Group or the ADS Group, respectively, for Taxes under Applicable Law or this Agreement; *provided*, that a party's right to indemnification under this Agreement shall not be limited in any way by a failure to so notify, except to the extent that the Indemnifying Party is prejudiced by such failure.

(b) *ADS Control*. Notwithstanding anything in this Agreement to the contrary but subject to Section 15(d), ADS shall have the right to control all matters relating to Separation Taxes, any ADS Separate Tax Return and any Tax Return, or any Tax Proceeding, with respect to any Tax matters of a Combined Group or any member of a Combined Group (as such). ADS shall have absolute discretion with respect to any decisions to be made, or the nature of any action to be taken, with respect to any Tax matter described in the preceding sentence; *provided, however*, that to the extent that any Tax Proceeding relating to such a Tax matter is reasonably likely to give rise to an indemnity obligation of Loyalty Ventures under Section 11 hereof, (i) ADS shall keep Loyalty Ventures informed of all material developments and events relating to any such Tax Proceeding described in this proviso and (ii) at its own cost and expense, Loyalty Ventures shall have the right to participate in (but not to control) the defense of any such Tax Proceeding.

(c) *Loyalty Ventures Assumption of Control; Non-Separation Taxes*. If ADS determines that the resolution of any matter pursuant to a Tax Proceeding described in Section 15(b) (other than a Tax Proceeding relating to Separation Taxes) is reasonably likely to have an adverse effect on the Loyalty Ventures Group with respect to any Post-Distribution Period, ADS, in its sole discretion, may permit Loyalty Ventures to elect to assume control over disposition of such matter at Loyalty Ventures' sole cost and expense; *provided, however*, that if Loyalty Ventures so elects, it will (i) be responsible for the payment of any liability arising from the disposition of such matter notwithstanding any other provision of this Agreement to the contrary and (ii) indemnify the ADS Group for the creation of or any increase in any liability, and any reduction of a Tax asset, of the ADS Group arising from such matter.

(d) *Loyalty Ventures Control*. Loyalty Ventures shall have the right to control any Tax Proceeding relating to Loyalty Ventures Separate Tax Returns, *provided* that to the extent that any Tax Proceeding relating to such a Tax matter is reasonably likely to

give rise to an indemnity obligation of ADS under Section 11 hereof or a Tax Refund to which ADS in entitled pursuant to Section 8 hereof, (i) Loyalty Ventures shall keep ADS informed of all material developments and events relating to any such Tax Proceeding, (ii) at its own cost and expense, ADS shall have the right to participate in the defense of any such Tax Proceeding, (iii) Loyalty Ventures shall not settle or compromise any such Tax Proceedings described in this proviso without ADS's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, (iv) Loyalty Ventures shall prosecute all elements of such Tax Proceeding, including by making commercially reasonable efforts to minimize any Tax liability and maximize any Tax Refund at issue in such Tax Proceeding, irrespective of the Party liable for or entitled to such liability or Tax Refund; and (v) in the event Loyalty Ventures is not complying with its obligations pursuant to Section 15(d)(iv), ADS shall have the right to assume control of such Tax Proceeding and Loyalty Ventures shall cooperate in all respects to facilitate such assumption of control and the subsequent prosecution of such Tax Contest (and, in such event, Loyalty Ventures shall have the rights set forth in this proviso that ADS had prior to such assumption of control by ADS, *mutatis mutandis*).

Section 16. *Notices.* Any notice, instruction, direction or demand under the terms of this Agreement required to be in writing shall be duly given upon delivery, if delivered by hand, facsimile transmission, email transmission, or mail, to the following addresses:

if to ADS or the ADS Group, to:

Alliance Data Systems Corporation
7500 Dallas Parkway, Suite 700
Plano, Texas 75024
Attention: General Counsel
Email: generalcounsel@alliancedata.com

with a copy (which shall not constitute notice) to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017 Attention: William A. Curran
Email: william.curran@davispolk.com

if to Loyalty Ventures or the Loyalty Ventures Group,

to:

Loyalty Ventures Inc.
7500 Dallas Parkway, Suite 700
Plano, Texas 75024
Attention: General Counsel
Email: generalcounsel@loyalty.com

or such other address or facsimile number as such party may hereafter specify for the purpose by notice to the other party hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 17. *Costs and Expenses.* The party that prepares any Tax Return shall bear the costs and expenses incurred in the preparation of such Tax Return. Except as expressly set forth in this Agreement or the Separation Agreement, (i) each party shall bear the costs and expenses incurred pursuant to this Agreement to the extent the costs and expenses are directly allocable to a liability or obligation allocated to such party and (ii) to the extent a cost or expense is not directly allocable to a liability or obligation, it shall be borne by the party incurring such cost or expense. For purposes of this Agreement, costs and expenses shall include, but not be limited to, reasonable attorneys' fees, accountants' fees and other related professional fees and disbursements.

Section 18. *Effectiveness; Termination and Survival.* Except as expressly set forth in this Agreement, as between ADS and Loyalty Ventures, this Agreement shall become effective upon the consummation of the Distribution. All rights and obligations arising hereunder shall survive until they are fully effectuated or performed; *provided* that, notwithstanding anything in this Agreement to the contrary, this Agreement shall remain in effect and its provisions shall survive for one year after the full period of all applicable statutes of limitation (giving effect to any extension, waiver or mitigation thereof) and, with respect to any claim hereunder initiated prior to the end of such period, until such claim has been satisfied or otherwise resolved. This agreement shall terminate without any further action at any time before the Distribution upon termination of the Separation Agreement.

Section 19. *Specific Performance.* Each party to this Agreement acknowledges and agrees that damages for a breach or threatened breach of any of the provisions of this Agreement would be inadequate and irreparable harm would occur. In recognition of this fact, each party agrees that, if there is a breach or threatened breach, in addition to any damages, the other nonbreaching party to this Agreement, without posting any bond, shall be entitled to seek and obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction, attachment, or any other equitable remedy which may then be available to obligate the breaching party (i) to perform its obligations under this Agreement or (ii) if the breaching party is unable, for whatever reason, to perform those obligations, to take any other actions as are necessary, advisable or appropriate to give the other party to this Agreement the economic effect which comes as close as possible to the performance of those obligations (including transferring, or granting liens on, the assets of the breaching party to secure the performance by the breaching party of those obligations).

Section 20. *Construction.* In this Agreement, unless the context clearly indicates otherwise:

(a) words used in the singular include the plural and words used in the plural include the singular;

(b) references to any Person include such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement;

(c) except as otherwise clearly indicated, reference to any gender includes the other gender;

(d) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation";

(e) reference to any Article, Section, Exhibit or Schedule means such Article or Section of, or such Exhibit or Schedule to, this Agreement, as the case may be, and references in any Section or definition to any clause means such clause of such Section or definition;

(f) the words "herein," "hereunder," "hereof," "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision hereof;

(g) reference to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and by this Agreement;

(h) reference to any law (including statutes and ordinances) means such law (including all rules and regulations promulgated thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability;

(i) relative to the determination of any period of time, "from" means "from and including," "to" means "to and including" and "through" means "through and including";

(j) the titles to Articles and headings of Sections contained in this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of or to affect the meaning or interpretation of this Agreement;

(k) unless otherwise specified in this Agreement, all references to dollar amounts herein shall be in respect of lawful currency of the United States; and

(l) any capitalized term used in an Exhibit or Schedule but not otherwise defined therein shall have the meaning set forth in this Agreement.

Section 21. *Entire Agreement; Amendments and Waivers*.

(a) *Entire Agreement*.

(i) This Agreement and the other Distribution Documents constitute the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings and negotiations, both written and oral, between the parties with respect to the subject matter hereof and thereof. No representation, inducement, promise, understanding, condition or warranty not set forth or incorporated by reference herein or in the other Distribution Documents has been made or relied upon by any party hereto or any member of their Group with respect to the transactions contemplated by the Distribution Documents. This Agreement is an "**Ancillary Agreement**" as such term is defined in the Separation Agreement and shall be interpreted in accordance with the terms of the Separation Agreement in all respects, *provided* that in the event of any conflict or inconsistency between the terms of this Agreement, the Separation Agreement or any other Distribution Document, the terms of this Agreement shall control in all respects.

(ii) THE PARTIES ACKNOWLEDGE AND AGREE THAT NO REPRESENTATION, WARRANTY, PROMISE, INDUCEMENT, UNDERSTANDING, COVENANT OR AGREEMENT HAS BEEN MADE OR RELIED UPON BY ANY PARTY OTHER THAN THOSE EXPRESSLY SET FORTH OR INCORPORATED BY REFERENCE IN THIS AGREEMENT AND IN THE OTHER DISTRIBUTION DOCUMENTS. WITHOUT LIMITING THE GENERALITY OF THE DISCLAIMER SET FORTH IN THE PRECEDING SENTENCE, NEITHER ADS NOR ANY OF ITS AFFILIATES HAS MADE OR SHALL BE DEEMED TO HAVE MADE ANY REPRESENTATIONS OR WARRANTIES IN ANY PRESENTATION OR WRITTEN INFORMATION RELATING TO THE LOYALTYONE BUSINESS GIVEN OR TO BE GIVEN IN CONNECTION WITH THE CONTEMPLATED TRANSACTIONS OR IN ANY FILING MADE OR TO BE MADE BY OR ON BEHALF OF ADS OR ANY OF ITS AFFILIATES WITH ANY GOVERNMENTAL AUTHORITY, AND NO STATEMENT MADE IN ANY SUCH PRESENTATION OR WRITTEN MATERIALS (OTHER THAN IN THE TAX MATERIALS), MADE IN ANY SUCH FILING OR CONTAINED IN ANY SUCH OTHER INFORMATION SHALL BE DEEMED A REPRESENTATION OR WARRANTY HEREUNDER OR OTHERWISE EXCEPT AS EXPRESSLY INCORPORATED BY REFERENCE. LOYALTY VENTURES ACKNOWLEDGES THAT ADS HAS INFORMED IT THAT NO PERSON HAS BEEN AUTHORIZED BY ADS OR ANY OF ITS AFFILIATES TO MAKE ANY REPRESENTATION OR WARRANTY IN RESPECT OF THE LOYALTYONE BUSINESS OR IN CONNECTION WITH THE CONTEMPLATED TRANSACTIONS, UNLESS IN WRITING AND CONTAINED OR INCORPORATED BY REFERENCE IN THIS AGREEMENT OR IN ANY OF THE OTHER DISTRIBUTION DOCUMENTS TO WHICH THEY ARE A PARTY.

(b) *Amendments and Waivers*.

(i) Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by ADS and Loyalty Ventures, or in the case of a waiver, by the party against whom the waiver is to be effective.

(ii) No failure or delay by any party (or the applicable member of such party's Group) in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

Section 22. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such state.

Section 23. *WAIVER OF JURY TRIAL*. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 24. *Dispute Resolution.* In the event of any dispute relating to this Agreement, the parties shall work together in good faith to resolve such dispute within thirty (30) days. In the event that such dispute is not resolved, upon written notice by a party after such thirty (30)-day period, the matter shall be referred to a U.S. Tax counsel or other Tax advisor of recognized national standing (the "**Tax Arbiter**") that will be jointly chosen by the ADS and Loyalty Ventures; *provided*, *however*, that, if the ADS and Loyalty Ventures do not agree on the selection of the Tax Arbiter after five (5) days of good faith negotiation, the Tax Arbiter shall consist of a panel of three U.S. Tax counsel or other Tax advisors of recognized national standing with one member chosen by the ADS, one member chosen by Loyalty Ventures, and a third member chosen by mutual agreement of the other members within the following ten (10)-day period. Each decision of a panel Tax Arbiter shall be made by majority vote of the members. The Tax Arbiter may, in its discretion, obtain the services of any third party necessary to assist it in resolving the dispute. The Tax Arbiter shall furnish written notice to the parties to the dispute of its resolution of the dispute as soon as practicable, but in any event no later than ninety (90) days after acceptance of the matter for resolution. Any such resolution by the Tax Arbiter shall be binding on the parties, and the parties shall take, or cause to be taken, any action necessary to implement such resolution. All fees and expenses of the Tax Arbiter shall be shared equally by the parties to the dispute.

Section 25. *Counterparts; Effectiveness; Third-Party Beneficiaries.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. Until and unless each party has received a counterpart hereof signed by the other party hereto, this Agreement

shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication). Except for Section 14(d) and the indemnification and release provisions of Section 11, neither this Agreement nor any provision hereof is intended to confer any rights, benefits, remedies, obligations, or liabilities hereunder upon any Person other than the parties hereto and their respective successors and permitted assigns.

Section 26. *Successors and Assigns.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; *provided* that neither party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of the other party hereto. If any party or any of its successors or permitted assigns (i) shall consolidate with or merge into any other Person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) shall transfer all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions shall be made so that the successors and assigns of such party shall assume all of the obligations of such party under the Distribution Documents.

Section 27. *Authorization*. Each of ADS and Loyalty Ventures hereby represents and warrants that it has the power and authority to execute, deliver and perform this Agreement, on its behalf and on behalf of each member of its Group, that this Agreement has been duly authorized by all necessary corporate action on the part of such party and each member of its Group, that this Agreement constitutes a legal, valid and binding obligation of each such party and each member of its Group, and that the execution, delivery and performance of this Agreement by such party and each member of its Group does not contravene or conflict with any provision or law or of its charter or bylaws or any agreement, instrument or order binding on such party or member of its Group.

Section 28. *Change in Tax Law.* Any reference to a provision of the Code, Treasury Regulations or any other Applicable Tax Law shall include a reference to any applicable successor provision of the Code, Treasury Regulations or other Applicable Tax Law.

Section 29. *Performance*. Each party shall cause to be performed all actions, agreements and obligations set forth herein to be performed by any member of such party's Group.

[SIGNATURE PAGE FOLLOWS]

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

ADS on its own behalf and on behalf of the members of the ADS Group

By: /s/ Perry Beberman
Name: Perry Beberman
Title: Chief Financial Officer

By: /s/ Jeffrey Fair
Name: Jeffrey Fair
Title: Senior Vice President

Loyalty Ventures on its own behalf and on behalf of the members of the Loyalty Ventures Group

By: /s/ Jeffrey Fair
Name: Jeffrey Fair
Title: Senior Vice President

Exhibit 10.3

EMPLOYEE MATTERS AGREEMENT

by and between

ALLIANCE DATA SYSTEMS CORPORATION

and

LOYALTY VENTURES INC.

Dated as of November 5, 2021

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SCHEDULES

EMPLOYEE MATTERS AGREEMENT

EMPLOYEE MATTERS AGREEMENT dated as of November 5, 2021 (as the same may be amended from time to time in accordance with its terms, this "**Agreement**"), between Alliance Data Systems Corporation, a Delaware corporation ("**ADS**"), and Loyalty Ventures Inc., a Delaware corporation ("**Loyalty Ventures**") (each, a "**Party**" and together, the "**Parties**"). Capitalized terms used in this Agreement but not otherwise defined in this Agreement shall have the respective meanings ascribed to such terms in the Separation and Distribution Agreement dated as of November 3, 2021 by and between the Parties, to which this Agreement is Exhibit A (the "**Separation Agreement**").

W I T N E S E T H:

WHEREAS, the board of directors of ADS (the "**ADS Board**") has determined that it is in the best interests of ADS and its stockholders to separate the Loyalty Ventures Business from the ADS Business;

WHEREAS, Loyalty Ventures is a wholly owned Subsidiary of ADS that has been incorporated for the sole purpose of, and has not engaged in activities except in preparation for, the Distribution and the transactions contemplated by this Agreement, the Separation Agreement and the other Ancillary Agreements;

WHEREAS, pursuant to the Separation Agreement, ADS and Loyalty Ventures have agreed to enter into this Agreement for the purpose of allocating between them assets, liabilities and responsibilities with respect to certain employee matters, including employee compensation and benefit plans and programs; and

WHEREAS, ADS and Loyalty Ventures have agreed that, except as otherwise expressly provided herein, the general approach and philosophy underlying this Agreement is to (a) allocate assets, Liabilities and responsibilities to the Loyalty Ventures Group (as opposed to the ADS Group) to the extent they relate to current or former employees and other service providers primarily related to the Loyalty Ventures Business and (b) allocate assets, Liabilities and responsibilities (other than those described in clause (a) above) to the ADS Group (as opposed to the Loyalty Ventures Group).

NOW, THEREFORE, in consideration of the mutual promises contained herein and in the Separation Agreement, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. *Definitions*. (a) For purposes of this Agreement, the following terms shall have the following meanings:

"**Adjusted ADS Awards**" means, collectively, the Adjusted ADS PSUs and the Adjusted ADS RSUs.

"**Adjusted ADS PSU**" means any ADS PSU adjusted pursuant to Section 8.02(b) hereto.

"**Adjusted ADS RSU**" means any ADS RSU adjusted pursuant to Section 8.01(b) hereto.

"**ADS 401(k) Plan**" means any ADS Plan that is a defined contribution plan intended to qualify under Section 401(a) of the Code.

"**ADS Common Stock**" has the meaning set forth in the Separation Agreement.

"**ADS Compensation Committee**" means the compensation committee of the ADS Board.

"**ADS Contractor**" means each individual independent contractor or consultant (other than a Loyalty Ventures Contractor) of any member of the ADS Group.

"**ADS Director**" means a member of the ADS Board.

"**ADS EDCP**" means the Alliance Data Systems Corporation Executive Deferred Compensation Plan, amended and restated effective January 1, 2018.

"**ADS Employee**" means each individual who, following the Distribution Date, is (a) not a Loyalty Ventures Employee and (b) either (i) actively employed by any member of the ADS Group or (ii) an inactive employee located in the U.S. (including any employee on short- or long-term disability leave or other authorized leave of absence).

"**ADS Equity Plans**" means, collectively, (a) the Alliance Data Systems Corporation 2020 Omnibus Incentive Plan, and (b) the Alliance Data Systems Corporation 2015 Omnibus Incentive Plan (in each case, together with any successor plans thereto).

"**ADS ESPP**" means the Alliance Data Systems Corporation 2015 Employee Stock Purchase Plan.

"**ADS FSA**" means any ADS Plan that is a flexible spending account for health and dependent care expenses.

"**ADS Group**" has the meaning set forth in the Separation Agreement.

"**ADS H&W Plan**" means any ADS Plan that is an "employee welfare benefit plan" or "welfare plan" (as defined under Section 3(1) of ERISA). For the

avoidance of doubt, ADS FSAs are ADS H&W Plans and the ADS 401(k) Plan is not an ADS H&W Plan.

"**ADS Participant**" means any individual who is an ADS Employee, ADS Contractor or ADS Director and any beneficiary, dependent, or alternate payee of such individual, as the context requires.

"**ADS Plan**" means any Employee Plan (other than a Loyalty Ventures Plan) sponsored, maintained, administered, contributed to or entered into by any member of the ADS Group. For the avoidance of doubt, no Loyalty Ventures Plan is an ADS Plan.

"**ADS Post-Distribution Stock Value**" means the volume weighted average trading price per share of ADS Common Stock, trading "regular way", during the five trading days immediately following the Distribution Date.

"**ADS Pre-Distribution Stock Value**" means the volume weighted average trading price per share of ADS Common Stock, trading "regular way" with "due bills", during the five trading days immediately prior to the Distribution Date.

"**ADS PSU**" means each award of restricted stock units with respect to ADS Common Stock granted under the ADS Equity Plan subject to performance-based vesting conditions.

"**ADS RSU**" means each award of restricted share units with respect to ADS Common Stock granted under the ADS Equity Plan (other than ADS PSUs).

"**ADS Specified Rights**" means any and all rights to enjoy, benefit from or enforce any and all restrictive covenants, including covenants relating to non-disclosure, non-solicitation, non-competition, confidentiality or Intellectual Property, pursuant to any Employee Plan including any Associate Confidentiality Agreements, covering or with any Loyalty Ventures Employee, Loyalty Ventures Contractor, ADS Employee or ADS Contractor and to which any member of the Loyalty Ventures Group or ADS Group is a party (other than Loyalty Ventures Specified Rights).

"**COBRA**" means the continuation coverage requirements for "group health plans" under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as codified in Section 4980B of the Code and Sections 601 through 608 of ERISA.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Distribution**" has the meaning set forth in the Separation Agreement.

"**Distribution Date**" has the meaning set forth in the Separation Agreement.

"**Employee Plan**" means any (a) "employee benefit plan" as defined in Section 3(3) of ERISA, (b) compensation, employment, consulting, severance, termination protection, change in control, transaction bonus, retention or similar plan, agreement, arrangement, program or policy or (c) other plan, agreement, arrangement, program or policy providing for compensation, bonuses, profit-sharing, equity or equity-based compensation or other forms of incentive or deferred compensation, vacation benefits, insurance (including any self-insured arrangement), medical, dental, vision, prescription or fringe benefits, life insurance, relocation or expatriate benefits, perquisites, disability or sick leave benefits, employee assistance program, supplemental unemployment benefits or post-employment or retirement benefits (including compensation, pension, health, medical or insurance benefits), in each case whether or not written.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, together with the rules and regulations promulgated thereunder.

"**Former ADS Employee**" means each individual who, as of immediately prior to the Distribution Date, is a former employee of any member of the ADS Group.

"**H&W Plan**" means any ADS H&W Plan or Loyalty Ventures H&W Plan.

"**HIPAA**" means the health insurance portability and accountability requirements for "group health plans" under the Health Insurance Portability and Accountability Act of 1996, as amended, together with the rules and regulations promulgated thereunder.

"**Liabilities**" has the meaning set forth in the Separation Agreement.

"**Loyalty Ventures 401(k) Plan**" means any Loyalty Ventures Plan that is a defined contribution plan intended to qualify under Section 401(a) of the Code.

"**Loyalty Ventures Active Employee**" means any individual actively employed primarily with respect to the Loyalty Ventures Business or employed by any member of the Loyalty Ventures Group.

"**Loyalty Ventures Assets**" has the meaning set forth in the Separation Agreement.

"**Loyalty Ventures Awards**" means, collectively, the Loyalty Ventures PSUs and the Loyalty Ventures RSUs.

"**Loyalty Ventures Board**" means the board of directors for Loyalty Ventures.

"**Loyalty Ventures Common Stock**" has the meaning set forth in the Separation Agreement.

"**Loyalty Ventures Compensation Committee**" means the compensation committee of the Loyalty Ventures Board.

"**Loyalty Ventures Contractor**" means each individual independent contractor or consultant who, as of the Distribution Date, primarily provides or provided services with respect to the Loyalty Ventures Business.

"**Loyalty Ventures Director**" means a member of the Loyalty Ventures Board.

"**Loyalty Ventures Employee**" means each (a) individual who, as of immediately following the Distribution Date, is (i) a Loyalty Ventures Active Employee or (ii) an inactive employee (including any Loyalty Ventures Inactive Employee) primarily employed with respect to the Loyalty Ventures Business by any member of the Loyalty Ventures Group, but not including any Transferred Loyalty Ventures Employees, or (b) a Transferred Loyalty Ventures Employee.

"**Loyalty Ventures Group**" has the meaning set forth in the Separation Agreement.

"**Loyalty Ventures H&W Plan**" means any Loyalty Ventures Plan that is (a) an "employee welfare benefit plan" or "welfare plan" (as defined under Section 3(1) of ERISA) or (b) a similar plan that is sponsored, maintained, administered, contributed to or entered into outside of the United States. For the avoidance of doubt, Loyalty Ventures FSAs are Loyalty Ventures H&W Plans and the Loyalty Ventures 401(k) Plan (once adopted) is not a Loyalty Ventures H&W Plan.

"**Loyalty Ventures Inactive Employee**" means any individual who is (i) on an approved leave of absence and (ii) receiving long-term or short-term disability benefits under an ADS H&W Plan who is employed primarily with respect to the Loyalty Ventures Business or employed by any member of the Loyalty Ventures Group.

"**Loyalty Ventures Participant**" means any individual who is a Loyalty Ventures Employee or Loyalty Ventures Contractor, and any beneficiary, dependent, or alternate payee of such individual, as the context requires.

"**Loyalty Ventures Plan**" means any Employee Plan that (a) is or was sponsored, maintained, administered, contributed to or entered into by any member of the Loyalty Ventures Group, whether before, as of or after the Distribution Date or (b) for which Liabilities transfer to any member of the Loyalty Ventures Group under this Agreement or pursuant to applicable Law as a result of the Distribution.

"**Loyalty Ventures Specified Rights**" means any and all rights to enjoy, benefit from or enforce any and all restrictive covenants, including covenants relating to non-disclosure, non-solicitation, non-competition, confidentiality or

Intellectual Property, applicable or related, in whole or in part, to the Loyalty Ventures pursuant to any Employee Plan, including any Associate Confidentiality Agreements, covering or with any Loyalty Ventures Employee or Loyalty Ventures Contractor and to which any member of the Loyalty Ventures Group or ADS Group is a party; *provided* that, with respect to any Intellectual Property existing, conceived, created, developed or reduced to practice prior to the Distribution Date, the foregoing rights to enjoy, benefit from or enforce any restrictive covenants related to Intellectual Property is limited to those restrictive covenants related to Intellectual Property included in the Loyalty Ventures Assets.

"**Loyalty Ventures Stock Value**" means the volume weighted average trading price per share of Loyalty Ventures Common Stock, trading "regular way", during the five trading days immediately following the Distribution Date.

"**Non-U.S. Loyalty Ventures Active Employee**" means any Loyalty Ventures Active Employee who is not a U.S. Loyalty Ventures Active Employee.

"**Non-U.S. Loyalty Ventures Participant**" means any Loyalty Ventures Participant who is not a U.S. Loyalty Ventures Participant.

"**Record Date**" has the meaning set forth in the Separation Agreement.

"**Restricted Period**" means the period beginning on the Distribution Date and ending on the date that the Transition Services Agreement is terminated.

"**Special Achievement RSUs**" means the awards relating to cash and units listed on Schedule 8.04.

"**Sponsored Employee**" means any Loyalty Ventures Employee set forth on Schedule 1.01(a)(ii) who is working on a visa or work permit sponsored by ADS or an ADS Group member as of immediately prior to the Distribution Date.

"**Transferred Loyalty Ventures Employee**" means any individual who, upon mutual agreement of the Parties, transfers employment from the ADS Group to the Loyalty Ventures Group following the Distribution Date (whether in connection with any Ancillary Agreement or otherwise).

"**U.S. Loyalty Ventures Active Employee**" means any Loyalty Ventures Active Employee employed or engaged in the United States.

"**U.S. Loyalty Ventures Inactive Employee**" means any Loyalty Ventures Inactive Employee employed or engaged in the United States.

"**U.S. Loyalty Ventures Participant**" means any Loyalty Ventures Participant employed or engaged in the United States.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
ADS	Preamble
ADS Board	Preamble
ADS Bonus Plan	Section 7.01
ADS Retained Employee Liabilities	Section 2.01(a)
2021 ADS Cash Bonuses	Section 7.01
2021 Loyalty Ventures Cash Bonuses	Section 7.01
Delayed Transfer Period	Section 3.01(b)
Estimated Prorated Bonus Amount	Section 7.01
Final Liquidation Date	Section 5.01©
Loyalty Ventures	Preamble
Loyalty Ventures Assumed Employee Liabilities	Section 2.01(b)
Loyalty Ventures Bonus Plan	Section 7.01
Loyalty Ventures Equity Plan	Section 8.05(a)
Loyalty Ventures FSA	Section 6.03
Loyalty Ventures PSU Replacement Award	Section 8.02(a)
Loyalty Ventures RSU	Section 8.01(a)
Loyalty Ventures RSU Replacement Award	Section 8.01(a)
Personnel Records	Section 9.01
Retirement Eligible Employee	Section 8.03
Special LTIP RSU	Section 8.03
Transition Date	Section 6.01(a)
Vendor Contract	Section 11.03

ARTICLE 2
General Allocation of Liabilities; Indemnification

Section 2.01. *Allocation of Employee-Related Liabilities*.

(a) Subject to the terms and conditions of this Agreement, effective as of the Distribution Date, ADS shall, or shall cause the applicable member of the ADS Group to, assume and retain, and no member of the Loyalty Ventures Group shall have any further obligation with respect to, any and all Liabilities (i) relating to, arising out of or in respect of any ADS Participant or any ADS Plan, in each case, other than any Loyalty Ventures Assumed Employee Liabilities (as defined below), or (ii) attributable to actions expressly specified to be taken by any member of the ADS Group under this Agreement, in each case, (x) whether arising before, on or after the Distribution Date, (y) whether based on facts occurring before, on or after the Distribution Date and (z) irrespective of which Person such Liabilities are asserted against or which Person such Liabilities attached to as a matter of applicable Law or contract or (iii) expressly assumed or retained, as applicable, by any member of the ADS Group pursuant to this Agreement (collectively, "**ADS Retained Employee Liabilities**"). For the avoidance of doubt, all ADS Retained Employee Liabilities are ADS Liabilities for purposes of the Separation Agreement.

(b) Subject to the terms and conditions of this Agreement, effective as of the Distribution Date, Loyalty Ventures shall, or shall cause the applicable member of the Loyalty Ventures Group to, assume, and no member of the ADS Group shall have any further obligation with respect to, any and all Liabilities (i) relating to, arising out of or in respect of any Loyalty Ventures Participant or any Loyalty Ventures Plan or (ii) attributable to actions expressly specified to be taken by any member of the Loyalty Ventures Group under this Agreement, in each case, (x) whether arising before, on or after the Distribution Date, (y) whether based on facts occurring before, on or after the Distribution Date and (z) irrespective of which Person such Liabilities are asserted against or which Person such Liabilities attached to as a matter of applicable Law or contract (collectively, "**Loyalty Ventures Assumed Employee Liabilities**"), including without limitation:

(i) employment, separation or retirement agreements or arrangements to the extent applicable to any Loyalty Ventures Participant;

(ii) wages, salaries, incentive compensation, commissions, bonuses and other compensation payable to any Loyalty Ventures Participants, without regard to when such wages, salaries, incentive compensation, equity compensation, commissions, bonuses and other compensation are or may have been earned;

(iii) severance or similar termination-related pay or benefits applicable to any Loyalty Ventures Participant relating to the termination or alleged termination of any Loyalty Ventures Participant's employment or service with the Loyalty Ventures Group or ADS Group that occurs prior to, at or after the Distribution;

(iv) workers' compensation and unemployment compensation benefits for all Loyalty Ventures Participants;

(v) change in control, transaction bonus, retention and stay bonuses payable to any Loyalty Ventures Participants;

(vi) any applicable Law (including ERISA and the Code) to the extent related to participation by any Loyalty Ventures Participant in any Employee Plan;

(vii) any Actions, allegations, demands, assessments, settlements or judgments relating to or involving any Loyalty Ventures Participant (including, without limitation, those relating to labor and employment, wages, hours, overtime, employee classification, hostile workplace, civil rights, discrimination, harassment, affirmative action, work authorization, immigration, safety and health, information privacy and security, workers' compensation, continuation coverage under group

health plans, wage payment, hiring practice and the payment and withholding of Taxes);

(viii) any costs or expenses incurred in designing, establishing and administering any Loyalty Ventures Plans or payroll or benefits administration for Loyalty Ventures Participants;

(ix) the employer portion of any employment, payroll or similar Taxes relating to any of the foregoing for any Loyalty Ventures Participant; and

(x) any Liabilities expressly assumed or retained, as applicable, by any member of the Loyalty Ventures Group pursuant to this Agreement.

For the avoidance of doubt, all Loyalty Ventures Assumed Employee Liabilities are Loyalty Ventures Liabilities for purposes of the Separation Agreement.

Section 2.02. *Indemnification*. For the avoidance of doubt, the provisions of Article 5 of the Separation Agreement shall apply to and govern the indemnification rights and obligations of the parties with respect to the matters addressed by this Agreement.

ARTICLE 3
EMPLOYEES AND CONTRACTORS; AND EMPLOYMENT

Section 3.01. *Transfers of Employment*.

(a) Effective as of the Distribution Date, (i) the employment of each Non-U.S. Loyalty Ventures Active Employee, to the extent employed at such time, will be continued by a member of the Loyalty Ventures Group, (ii) the employment of each ADS Employee, to the extent employed at such time, will be continued by a member of the ADS Group and (iii) each U.S. Loyalty Ventures Active Employee shall remain employed by a member of the ADS Group through the Distribution Date, and, immediately following the Distribution Date, shall terminate employment with the ADS Group and shall immediately commence employment with a member of the Loyalty Ventures Group and shall be treated as a Loyalty Ventures Employee for all purposes pursuant to this Agreement. Before the Distribution Date, ADS and Loyalty Ventures shall cooperate in good faith to transfer the employment of each Non-U.S. Loyalty Ventures Employee from the ADS Group to the Loyalty Ventures Group, and the parties shall use their reasonable best efforts to cause all such transfers of employment to occur no later than the Distribution Date; *provided* however, that the parties agree to mutually cooperate to transfer the employment of any Transferred Loyalty Ventures Employees to the Loyalty Ventures Group as soon as possible following the Distribution Date and, unless as otherwise contemplated in connection with the

Transition Services Agreement, in no event later than the expiration of the Delayed Transfer Period.

(b) Notwithstanding anything to the contrary in this Agreement, each Loyalty Ventures Employee who, as of the Distribution Date, is a U.S. Loyalty Ventures Inactive Employee will continue to be employed by a member of the ADS Group until such individual returns to active service. Upon a U.S. Loyalty Ventures Inactive Employee's return to active service, Loyalty Ventures will make an offer of employment to such U.S. Loyalty Ventures Inactive Employee on terms and conditions of employment consistent with (A) this Agreement and (B) the terms and conditions of employment applicable to such U.S. Loyalty Ventures Inactive Employee at such time; *provided*, that such U.S. Loyalty Ventures Inactive Employee returns to active service within 18 months following the Distribution Date (such period, the "**Delayed Transfer Period**"). For the avoidance of doubt, (x) immediately following the Distribution Date, the employment of each Loyalty Ventures Employee located in the U.S. (other than any U.S. Loyalty Ventures Inactive Employee) who is on an approved leave of absence (including parental, military or other authorized leave of absence) will continue with or be transferred to, as applicable, the Loyalty Ventures Group in accordance with Section 3.01(a) and (y) all costs relating to any compensation, benefits, severance or other employment-related costs in respect of U.S. Loyalty Ventures Inactive Employees will constitute Loyalty Ventures Assumed Employee Liabilities.

(c) When required, each of the parties hereto agrees to execute, and to use their reasonable best efforts to have the applicable employees execute, any such documentation or consents as may be necessary or desirable to reflect or effectuate any such assignments or transfers contemplated by this Section 3.01.

(d) Except as otherwise provided under the Transition Services Agreement, effective as of the Distribution Date, (i) Loyalty Ventures shall adopt or maintain, and shall cause each member of the Loyalty Ventures Group to adopt or maintain, leave of absence programs and (ii) Loyalty Ventures shall honor, and shall cause each member of the Loyalty Ventures Group to honor, all terms and conditions of authorized leaves of absence which have been granted to any Loyalty Ventures Participant before the Distribution Date, including such leaves that are to commence on or after the Distribution Date.

Except as provided in Section 8.05(i), with respect to any Delayed Transfer Employee, references to the "**Distribution Date**" in this Agreement, as applicable, shall in each case be deemed to refer to the date such Delayed Transfer Employee commences employment with the Loyalty Ventures Group, *mutatis mutandis*, if later.

Section 3.02. *Employment Agreements*.

(a) With respect to any employment, retention, severance, restrictive covenant or similar agreements with Loyalty Ventures Employees to which a member of the Loyalty Ventures Group is not a party, or which do not otherwise transfer to a Loyalty Ventures Group member by operation of applicable Law, the Parties shall use reasonable best efforts to assign, effective on or before the Distribution Date (or, with respect to Delayed Transfer Employee, effective as of the applicable Delayed Transfer Date) the applicable employment, retention, severance, restrictive covenant or similar agreement, as applicable, to a member of the Loyalty Ventures Group in the applicable jurisdiction, and Loyalty Ventures shall, or shall cause a member of the Loyalty Ventures Group to assume and perform such agreements in accordance with their terms, in each case as if originally entered into by such applicable member of the Loyalty Ventures Group, and the ADS Group shall cease to have any Liabilities or responsibilities with respect thereto; *provided*, *however*, that this Section 3.02(a) shall not apply to any employment, retention, severance, restrictive covenant or similar agreements with any Loyalty Ventures Employees who are employed in a jurisdiction outside of the United States in which the Parties do not intend for such agreements to be transferred to the Loyalty Ventures Group.

(b) With respect to any employment, retention, severance, restrictive covenant or similar agreements with ADS Employees to which a member of the ADS Group is not a party, or which do not otherwise transfer to an ADS Group member by operation of applicable Law, the Parties shall use reasonable best efforts to assign, effective on or before the Distribution Date (or, with respect to Delayed Transfer Employee, effective as of the applicable Delayed Transfer Date) the applicable employment, retention, severance, restrictive covenant or similar agreement, as applicable, to a member of the ADS Group in the applicable jurisdiction, and ADS shall, or shall cause a member of the ADS Group to assume and perform such agreements in accordance with their terms, in each case as if originally entered into by such applicable member of the ADS Group, and the Loyalty Ventures Group shall cease to have any Liabilities or responsibilities with respect thereto; *provided*, *however*, that this Section 3.02(b) shall not apply to any employment, retention, severance, restrictive covenant or similar agreements with any ADS Employees who are employed in a jurisdiction outside of the United States in which the Parties do not intend for such agreements to be transferred to the ADS Group.

(c) From and after the Distribution Date (or, if applicable, the Delayed Transfer Date), each of ADS and Loyalty Ventures hereby agrees to comply with and honor any employment, services, retention or severance agreement between any member of the ADS Group or the Loyalty Ventures Group, as the case may be, on the one hand, and any ADS Employee or ADS Contractor or Loyalty Ventures Employee or Loyalty Ventures Contractor, respectively, on the other hand, and assumes responsibility for, and, to the extent applicable, Loyalty Ventures or the relevant member of the Loyalty Ventures Group and ADS or the relevant member of the ADS Group, respectively, shall cease to be responsible for or to otherwise have any Liability in respect of, such agreements.

Section 3.03. *Contractors*. With respect to any independent contractor or consulting agreements with Loyalty Ventures Contractors or ADS Contractors to which a Loyalty Ventures Group member or an ADS Group member, respectively, is not a party, or which do not otherwise transfer to a Loyalty Ventures Group member or an ADS Group member, respectively, by operation of applicable Law, the parties shall use reasonable best efforts to assign the applicable agreements to a member of the Loyalty Ventures Group or a member of the ADS Group, as applicable, in the applicable jurisdiction, and Loyalty Ventures or ADS, as applicable, shall, or shall cause a member of the Loyalty Ventures Group or a member of the ADS Group, respectively, to assume and perform any obligations under such independent contractor and consulting agreements.

Section 3.04. *Assignment of Specified Rights*. To the extent permitted by applicable Law and the applicable agreement, if any, effective as of the Distribution Date, (i) ADS hereby assigns, to the maximum extent possible, on behalf of itself and the ADS Group, the Loyalty Ventures Specified Rights, to Loyalty Ventures and (ii) Loyalty Ventures hereby assigns, to the maximum extent possible, on behalf of itself and the Loyalty Ventures Group, the ADS Specified Rights, to ADS.

ARTICLE 4
PLANS

Section 4.01. *Plan Participation.*

(a) Except as otherwise expressly provided in this Agreement and subject to any provisions of the Transition Services Agreement, effective as of immediately following the Distribution Date, (i) (x) all Loyalty Ventures Participants shall cease any participation in, and benefit accrual under, ADS Plans other than the ADS H&W Plans (where participation will continue until the Transition Date), and (y) to the extent applicable, all members of the Loyalty Ventures Group shall cease to be participating employers under the ADS Plans and, (ii) to the extent applicable, (x) all ADS Participants shall cease any participation in, and benefit accrual under, Loyalty Ventures Plans and (y) all members of the ADS Group shall cease to be participating employers under the Loyalty Ventures Plans. Prior to the Distribution Date, ADS and Loyalty Ventures shall take all actions necessary to effectuate the actions contemplated by this Section 4.01 and to cause (A) except as otherwise set forth in the Transition Services Agreement, the applicable Loyalty Ventures Group member to have in effect such corresponding Loyalty Ventures Plan as of the Distribution Date, (B) the applicable Loyalty Ventures Group Member to assume or retain all Liabilities with respect to each Loyalty Ventures Plan and the applicable ADS Group member to assume or retain all Liabilities with respect to each ADS Plan, in each case, effective as of the Distribution Date and (C) all assets of any Loyalty Ventures Plan to be transferred to or retained by the applicable Loyalty Ventures Group member in the applicable jurisdiction and all assets of any ADS Plan to be

transferred to or retained by the applicable ADS Group member in the applicable jurisdiction, in each case, effective as of the Distribution Date. Effective as of the Distribution Date, ADS shall not be considered a fiduciary for any Loyalty Ventures Plans.

(b) The Parties agree that, to the extent the terms of this Agreement do not expressly prescribe the treatment of any specific compensation or benefits matter (including, without limitation, regarding the treatment of participation in any Employee Plans or the allocation of any Liabilities hereunder) applicable to any Delayed Transfer Employee, as the case may be, the Parties will reasonably cooperate in good faith to cause such matter to be treated in a manner consistent with the corresponding treatment provided under this Agreement of such matter as applicable to any Delayed Transfer Employee, respectively (or, if no such corresponding treatment is provided under the terms of this Agreement, then such matter shall otherwise be treated in accordance with the general approach and philosophy regarding the allocation of assets and Liabilities under the terms of this Agreement, as expressly set forth in the recitals to this Agreement).

Section 4.02. *Service Credit*. From and after the Distribution Date, for purposes of determining eligibility to participate, vesting and benefit accrual under any Loyalty Ventures Plan in which a Loyalty Ventures Employee is eligible to participate on and following the Distribution Date, such Loyalty Ventures Employee's service with any member of the ADS Group or the Loyalty Ventures Group, as the case may be, prior to the Distribution Date shall be treated as service with the Loyalty Ventures Group, to the extent recognized by the ADS Group or the Loyalty Ventures Group, as applicable, under an analogous ADS Plan or Loyalty Ventures Plan, as applicable, prior to the Distribution Date; *provided*, *however*, that such service shall not be recognized to the extent that such recognition would result in any duplication of benefits.

ARTICLE 5
RETIREMENT PLANS

Section 5.01. *401(k) Plan*.

(a) Effective as of the Distribution Date, each Loyalty Ventures Participant who participates in the ADS 401(k) Plan immediately prior to the Distribution Date (i) will cease active participation in the ADS 401(k) Plan as of the Distribution Date, (ii) will be treated as a terminated participant for purposes of the ADS 401(k) Plan and (iii) upon the establishment of the Loyalty Ventures 401(k) Plan following the Distribution Date, will become eligible to participate in the Loyalty Ventures 401(k) Plan.

(b) From and after the Distribution Date, the applicable member of the Loyalty Ventures Group shall be responsible for the administration of the Loyalty Ventures 401(k) Plan, and no member of the ADS Group shall have any Liability

or obligation (including any administration or fiduciary obligation) with respect to the Loyalty Ventures 401(k) Plan.

(c) Effective as of the Distribution Date, other than as a result of the Distribution, participants in the ADS 401(k) Plan shall not be permitted to purchase additional shares of Loyalty Ventures Common Stock under the ADS 401(k) Plan. Participants shall be permitted to sell shares of Loyalty Ventures Common Stock received as a result of the Distribution at their discretion until October 27, 2022. The remaining shares of Loyalty Ventures Common Stock received as a result of the Distribution shall be liquidated on the earlier of (i) November 1, 2022, (ii) the date the Loyalty Ventures Common Stock ceases to be readily tradable on an established securities market and (iii) the applicable effective date for the liquidation set forth in a ruling by the Supreme Court of the United States, or by any other court of applicable jurisdiction, to the effect that the ERISA duty of diversification would require the diversification of each investment option offered under a defined contribution plan or otherwise require the divestiture of any single-stock fund other than a fund of employer stock (the "**Final Liquidation Date**"). Proceeds from the sale of shares of Loyalty Ventures Common Stock in accordance with the immediately preceding sentence will be invested pro rata according to the Participant's investment election on file for new contributions to the ADS 401(k) Plan. If the participant has no investment election on file, the ADS Investment Committee shall direct the plan recordkeeper to direct proceeds to the ADS 401(k) Plan's Qualified Default Alternative Investment (QDIA). In the event that Loyalty Ventures posts a dividend during the period between the Distribution and Final Liquidation Date, the ADS 401(k) Plan will not purchase additional shares of Loyalty Ventures Common Stock, and any cash amounts received in respect of such dividends will follow the participant investment elections for new contributions to the ADS 401(k) Plan. If the participant has no investment election on file, the ADS Investment Committee shall direct the plan recordkeeper to direct proceeds to the ADS 401(k) Plan's Qualified Default Alternative Investment (QDIA). ADS shall assume sole responsibility for ensuring that the ADS 401(k) Plan is maintained in compliance with applicable Laws with respect to holding Loyalty Ventures Common Stock and shares of ADS Common Stock. Shares of Loyalty Ventures Common Stock shall not be permitted to be distributed in-kind, in a lump sum or through periodic distributions of Loyalty Ventures Common Stock, and will only be permitted to be paid in cash; *provided* that direct rollovers will be permitted as allowed by the ADS 401(k) plan in the form of payment in cash.

Section 5.02. *ADS EDCP*. Effective as of the Distribution Date, each Loyalty Ventures Participant who participates in the ADS EDCP as of immediately prior to the Distribution Date will cease active participation in the ADS EDCP. For the avoidance of doubt, from and after the Distribution Date, each Loyalty Ventures Participant shall not actively participate in the ADS EDCP, but will continue to accrue additional interest for the duration of any waiting period prior to distribution of the applicable account balance. To the maximum extent permitted by Section 409A of the Code, a Loyalty Ventures Participant

shall be considered to have undergone a "separation from service" for purposes of Section 409A of the Code and the ADS EDCP in connection with the Distribution, and, following the Distribution Date, any amounts deferred pursuant to the ADS EDCP shall be treated as prescribed by the terms of the ADS EDCP, including with respect to a "separation from service".

Section 5.03. *Section 409A*. The parties shall cooperate in good faith so that the transactions contemplated by this Agreement and the Separation Agreement will not result in adverse tax consequences under Section 409A of the Code to any Loyalty Ventures Participant, in respect of their benefits under any Employee Plan.

ARTICLE 6
HEALTH AND WELFARE PLANS; PAID TIME OFF AND VACATION

Section 6.01. *Cessation of Participation in ADS H&W Plans; Participation in Loyalty Ventures H&W Plans*.

(a) Notwithstanding anything to the contrary in Section 4.01, Loyalty Ventures Participants in the United States shall continue to participate in ADS H&W Plans pursuant to the terms of a Transition Services Agreement and Loyalty Ventures Participants shall cease to participate in ADS H&W Plans following December 31, 2021 (the "**Transition Date**").

(b) Effective as of the Transition Date, Loyalty Ventures shall cause Loyalty Ventures Participants who participate in an ADS H&W Plan immediately prior to the Transition Date to be eligible to enroll in a corresponding Loyalty Ventures H&W Plan.

(c) Subject to the terms of the applicable Loyalty Ventures H&W Plan and applicable Law, Loyalty Ventures shall use its reasonable best efforts to waive all limitations as to preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to Loyalty Ventures Participants under any Loyalty Ventures H&W Plan in which any such Loyalty Ventures Participant may be eligible to participate on or after the Transition Date to the extent that such conditions, exclusions and waiting periods are not applicable to or had been previously satisfied by any such Loyalty Ventures Participant under the corresponding ADS H&W Plans.

Section 6.02. *Assumption of Health and Welfare Plan Liabilities*. Subject to Section 6.01, effective as of the Transition Date, all Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred on or after the Transition Date by each Loyalty Ventures Participant under the ADS H&W Plans shall be Liabilities of the ADS Group. Notwithstanding anything to the contrary contained herein, subject to Section 6.01, any and all costs, expenses or Liabilities relating to participation by Loyalty Ventures Participants in the ADS H&W Plans during the Delayed Transfer Period shall be

reimbursed by Loyalty Ventures to the ADS Group in accordance with the terms of the Transition Services Agreement and all costs, expenses or Liabilities relating to Loyalty Ventures Participants located primarily in the U.S. shall be retained by the ADS Group during the period covered by the Transition Services Agreement. For the avoidance of doubt, subject to Section 6.03, (a) all Liabilities arising under (i) any ADS H&W Plan with respect to Loyalty Ventures Participants or (ii) any Loyalty Ventures H&W Plan and (b) all Liabilities arising out of, relating to or resulting from the cessation of a Loyalty Ventures Participant's participation in any ADS H&W Plan and transfer to a Loyalty Ventures H&W Plan as set forth herein (including any Actions or claims by any Loyalty Ventures Participants related thereto) shall, in each case, be Loyalty Ventures Assumed Employee Liabilities.

Section 6.03. *Flexible Spending Account Plan Treatment*. Each Loyalty Ventures Participant shall continue to participate in the ADS FSA in accordance with its existing terms as contemplated by the Transition Services Agreement through December 31, 2021 (the grace period permitted by plan design shall end on March 31, 2022 for service dates through December 31, 2021). The Loyalty Ventures Participants shall continue to make contributions during 2021 in accordance with their elections as of the Distribution Date and shall otherwise participate on the same terms and conditions as of prior to the Distribution Date. Effective as of January 1, 2022, Loyalty Ventures intends to establish a flexible spending account plan for health and dependent care expenses ("**Loyalty Ventures FSA**").

Section 6.04. *Workers' Compensation Liabilities*. Unless as otherwise expressly provided in the Separation Agreement, effective as of the Distribution Date, all workers' compensation Liabilities relating to, arising out of, or resulting from any claim by any Loyalty Ventures Participant that result from an accident or from an occupational disease, regardless of whether incurred before, on or after the Distribution Date, shall be assumed by Loyalty Ventures and shall constitute Loyalty Ventures Assumed Employee Liabilities. The parties shall cooperate with respect to any notification to appropriate governmental agencies of the disposition and the issuance of new, or the transfer of existing, workers' compensation insurance policies and contracts governing the handling of claims.

Section 6.05. *Vacation and Paid Time Off*. Effective as of the Distribution Date, the applicable Loyalty Ventures Group member shall recognize and assume all Liabilities with respect to vacation, holiday, sick leave, paid time off, floating holidays, personal days and other paid time off with respect to Loyalty Ventures Participants accrued on or prior to the Distribution Date, and Loyalty Ventures shall credit each such Loyalty Ventures Participant with such accrual; *provided*, that if any such vacation or paid time off is required under applicable Law to be paid out to the applicable Loyalty Ventures Participant in connection with the Distribution, such payment will be made by Loyalty Ventures as of the Distribution Date, and Loyalty Ventures will credit such Loyalty Ventures Participant with unpaid vacation time or paid time off in respect thereof; it being understood that any amount of vacation or paid time off required to be

paid out in connection with the Distribution shall constitute Loyalty Ventures Assumed Employee Liabilities.

Section 6.06. *COBRA and HIPAA.*

(a) The ADS Group shall administer the ADS Group's compliance with the health care continuation coverage requirements of COBRA, the certificate of creditable coverage requirements of HIPAA and the corresponding provisions of the ADS H&W Plans with respect to Loyalty Ventures Participants who incur a COBRA "qualifying event" occurring on or before the Transition Date; *provided* that, for the avoidance of doubt, any Liabilities related thereto shall constitute Loyalty Ventures Assumed Employee Liabilities.

(b) Loyalty Ventures shall be solely responsible for all Liabilities incurred pursuant to COBRA and for administering, at Loyalty Ventures' expense, compliance with the health care continuation coverage requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the Loyalty Ventures H&W Plans with respect to Loyalty Ventures Participants who incur a COBRA "qualifying event" that occurs at any time after the Transition Date.

(c) The parties agree that neither the Distribution nor any assignment or transfer of the employment or services of any employee or individual independent contractor as contemplated under this Agreement shall constitute a COBRA "qualifying event" for any purpose of COBRA.

ARTICLE 7
INCENTIVE COMPENSATION

Section 7.01. *Incentive Compensation*. Each Loyalty Ventures Participant participating in any ADS Plan that is a cash bonus or cash incentive plan (each, an "**ADS Bonus Plan**") as of immediately prior to the Distribution Date shall, as of the Distribution Date, transfer to a Loyalty Ventures Plan that is a cash bonus or cash incentive plan (each, a "**Loyalty Ventures Bonus Plan**") relating to the Loyalty Ventures 2021 fiscal year (the "**2021 Loyalty Ventures Cash Bonuses**"), but shall be credited with service for any time the Loyalty Ventures Participant provided services to ADS or the ADS Group between January 1, 2021 and the Distribution Date. Any 2021 Loyalty Ventures Cash Bonuses that are earned and payable to Loyalty Ventures Participants under such Loyalty Ventures Bonus Plans will be paid by Loyalty Ventures in accordance with the terms of the applicable Loyalty Ventures Bonus Plan (including terms relating to the timing of payment); *provided* that at or following the Distribution Date, ADS shall determine the amount that would be payable to Loyalty Ventures Participants pursuant to the terms of an ADS Bonus Plan for the period beginning on January 1, 2021 and ending on the Distribution Date and, within thirty (30) days following the Distribution Date, will pay such amount to Loyalty Ventures (the "**Estimated Prorated Bonus Amount**"). To the extent that following the

end of the Loyalty Ventures 2021 fiscal year it is determined that the amount of the 2021 Loyalty Ventures Cash Bonuses attributable to the period prior to the Distribution Date is (i) greater than the Estimated Prorated Bonus Amount, ADS shall reimburse Loyalty Ventures for any such excess amount and (ii) less than the Estimated Prorated Bonus Amount, Loyalty Ventures shall reimburse ADS for any such amount.

ARTICLE 8
TREATMENT OF OUTSTANDING EQUITY AWARDS

Section 8.01. *RSUs*.

(a) Loyalty Ventures Participants.

(i) ADS RSUs Granted More Than a Year Prior. Effective as of three (3) Business Days prior to the Record Date, each ADS RSU that
(i) is outstanding as of three (3) Business Days prior to the Record Date,
(ii) was granted more than one year prior to such date and (iii) held by a Loyalty Ventures Participant shall immediately vest and be settled in shares of ADS Common Stock to be credited to such Loyalty Ventures Participant's account prior to the Record Date.

(ii) ADS RSUs Granted Less Than a Year Prior. Effective as of the Distribution Date, each ADS RSU (other than the Special Achievement RSUs or Special LTIP RSUs (each as defined below)) that (i) is outstanding immediately prior to the Distribution Date, (ii) was granted less than one year prior to such date and (iii) held by a Loyalty Ventures Participant, shall be forfeited and, as soon as reasonably practicable following the Distribution Date, shall be replaced with (A) a new award (the "**Loyalty Ventures RSU Replacement Award**") with a grant date fair value (as determined by the Loyalty Ventures Compensation Committee) equal to 75% of the value of the ADS RSU, with (x) one half of such Loyalty Ventures RSU Replacement Award to be granted as a restricted stock unit award with respect to Loyalty Ventures Common Stock (the "**Loyalty Ventures RSU**") that has a grant date fair value (as determined by the Loyalty Ventures Compensation Committee) equal to 50% of the value of the Loyalty Ventures RSU Replacement Award, with the number of shares of Loyalty Ventures Common Stock relating to such Loyalty Ventures RSU to be determined by the Loyalty Ventures Compensation Committee, taking the ADS Pre-Distribution Stock Value multiplied by the number of ADS RSUs and divided by the Loyalty Ventures Stock Value, with any fractional shares rounded up to the nearest whole number of shares and (y) a long-term cash incentive award equal to 50% of the value of the Loyalty Ventures RSU Replacement Award to be determined by the Loyalty Ventures Compensation Committee, taking the ADS Pre-Distribution Stock Value multiplied by the number of ADS RSUs and (B) a cash payment equal to

25% of the aggregate value of such ADS RSUs valued at the ADS Pre-Distribution Stock Value. The Loyalty Ventures RSU Replacement Awards shall be subject to the same terms and conditions (including vesting and payment schedules) as applicable to the corresponding ADS RSUs as of immediately prior to the Distribution Date and the cash payment pursuant to clause (B) above shall be paid by the ADS Group, subject to any applicable withholding, as soon as practicable following the Distribution Date by the ADS Group, and in no event more than thirty (30) days following the Distribution Date.

(b) ADS Participants. Effective as of the Distribution Date, each ADS RSU that is outstanding immediately prior to the Distribution Date and held by an ADS Participant shall be adjusted to reflect the Distribution and become an Adjusted ADS RSU. The number of shares of ADS Common Stock subject to such Adjusted ADS RSU shall be determined by the ADS Compensation Committee in a manner intended to preserve the value of such ADS RSU by multiplying the aggregate number of ADS RSUs in each grant by the ADS Pre-Distribution Stock Value divided by the ADS Post-Distribution Stock Value, with any fractional shares rounded up to the nearest whole number of shares and provided that in no case will such ADS RSUs result in a reduction of such ADS RSUs. Each such Adjusted ADS RSU shall be subject to the same terms and conditions (including vesting and payment schedules) as applicable to the corresponding ADS RSU as of immediately prior to the Distribution Date.

Section 8.02. *PSUs*.

(a) Loyalty Ventures Participants. Effective as of the Distribution Date, each ADS PSU that is (i) outstanding immediately prior to the Distribution Date and (ii) held by a Loyalty Ventures Participant, shall be forfeited and, as soon as practicable following the Distribution Date, replaced with (A) a new award (the "**Loyalty Ventures PSU Replacement Award**") with a grant date fair value (as determined by the Loyalty Ventures Compensation Committee) equal to 75% of the value of the ADS PSU based on the performance-based vesting conditions with respect to each such ADS PSU being deemed to have been achieved at target performance level, with (x) one half of such Loyalty Ventures PSU Replacement Award to be granted as a Loyalty Ventures RSU that has a grant date fair value (as determined by the Loyalty Ventures Compensation Committee) equal to 50% of the value of the Loyalty Ventures PSU Replacement Award, with the number of shares of Loyalty Ventures Common Stock relating to such Loyalty Ventures RSU to be determined by the Loyalty Ventures Compensation Committee, multiplying the ADS Pre-Distribution Stock Value by the number of ADS PSUs and divided by the Loyalty Ventures Stock Value, with any fractional shares rounded up to the nearest whole number of shares and (y) a long-term cash incentive award equal to 50% of the value of the Loyalty Ventures PSU Replacement Award to be determined by the Loyalty Ventures Compensation Committee, multiplying the ADS Pre-Distribution Stock Value by the number of ADS PSUs and (B) a cash payment equal to 25% of the aggregate value of such

ADS PSUs valued at the ADS Pre-Distribution Stock Value; in the case of each ADS PSU, as of the Distribution Date the performance-based vesting conditions with respect to each such ADS PSU will be deemed to have been achieved at target performance level by the ADS Group. The Loyalty Ventures PSU Replacement Awards shall be subject to the same terms and conditions (including time vesting and payment schedules after taking into account deemed target performance) as applicable to the corresponding ADS PSU as of immediately prior to the Distribution Date and the cash payment pursuant to clause (B) above shall be paid by the ADS Group, subject to any applicable withholding, as soon as practicable following the Distribution Date, and in no event more than thirty (30) days following the Distribution Date.

(b) ADS Participants. Effective as of the Distribution Date, each ADS PSU that is outstanding immediately prior to the Distribution Date and held by an ADS Participant shall be adjusted to reflect the Distribution and become an Adjusted ADS PSU. The number of shares of ADS Common Stock subject to such Adjusted ADS PSU shall be determined by the ADS Compensation Committee in a manner intended to preserve the value of such ADS PSU by multiplying the aggregate number of ADS PSUs in each grant by the ADS Pre-Distribution Stock Value divided by the ADS Post-Distribution Stock Value, with any fractional shares rounded up to the nearest whole number of shares. Each such Adjusted ADS PSU shall be subject to the same terms and conditions (including performance-based metrics, vesting and payment schedules) as applicable to the corresponding ADS PSU immediately prior to the Distribution Date, *provided* that, the performance-based metrics underlying each such Adjusted ADS PSU may be adjusted, as determined by the ADS Compensation Committee in its sole discretion, to reflect the Distribution.

Section 8.03. *Special LTIP RSU*. Effective as of the Distribution Date, each ADS RSU that (i) is outstanding immediately prior to the Distribution Date, (ii) was granted less than one year prior to such date and (iii) held by a Loyalty Ventures Participant located in each jurisdiction set forth on Schedule 8.03 (each, a "**Special LTIP RSU**"), shall be forfeited and, as soon as practicable following the Distribution Date, replaced with (A) a long-term cash incentive award equal to 75% of the value of the Special LTIP RSU to be determined by the Loyalty Ventures Compensation Committee, multiplying the ADS Pre-Distribution Stock Value by the number of Special LTIP RSUs, that is subject to the same vesting and payment schedules as applicable to the corresponding Special LTIP RSU as of immediately prior to the Distribution Date and (B) a cash payment equal to 25% of the aggregate value of such Special LTIP RSUs valued at the ADS Pre-Distribution Stock Value that is paid by the ADS Group, subject to any applicable withholding, as soon as practicable following the Distribution Date and in no event more than thirty (30) days following the Distribution Date.

Section 8.04. *Special Achievement RSUs*. Effective as of the Distribution Date, each ADS RSU identified as a Special Achievement RSU shall be forfeited in exchange for the right to receive an amount in cash equal to the value of the

Special Achievement RSU (as determined by the ADS Compensation Committee), multiplying the ADS Pre-Distribution Stock Value by the number of Special Achievement RSUs, with such cash payment to be made by the ADS Group, subject to any applicable withholding as soon as practicable following the Distribution Date, and in no event more than thirty (30) days following the Distribution Date.

Section 8.05. *Miscellaneous Terms and Actions; Tax Reporting and Withholding*.

(a) Effective as of the Distribution Date, Loyalty Ventures shall adopt an equity incentive compensation plan for the benefit of eligible participants (the "**Loyalty Ventures Equity Plan**"). Prior to the Distribution Date, each of ADS and Loyalty Ventures shall take any actions necessary to give effect to the transactions contemplated by this Article 8, including, in the case of Loyalty Ventures, the reservation and application for listing of shares of Loyalty Ventures Common Stock as is necessary to effectuate the transactions contemplated by this Article 8. From and after the Distribution Date, (i) Loyalty Ventures shall retain the Loyalty Ventures Equity Plan, and all Liabilities thereunder shall constitute Loyalty Ventures Assumed Employee Liabilities, and (ii) ADS shall retain the ADS Equity Plan, and all Liabilities thereunder shall constitute ADS Retained Employee Liabilities. From and after the Distribution Date, all Adjusted ADS Awards, regardless of by whom held, shall be granted under and subject to the terms of the ADS Equity Plan and shall be settled by ADS, and all Loyalty Ventures Awards, regardless of by whom held, shall be granted under and subject to the terms of the Loyalty Ventures Equity Plan and shall be settled by Loyalty Ventures.

(b) Unless otherwise required by applicable Law, (i) the applicable member of the Loyalty Ventures Group shall be responsible for all applicable income, payroll, employment and other similar tax withholding, remittance and reporting obligations in respect of Loyalty Ventures Participants relating to any Loyalty Ventures Awards and (ii) the applicable member of the ADS Group shall be responsible for all applicable income, payroll, employment and other similar tax withholding, remittance and reporting obligations in respect of ADS Participants relating to any Adjusted ADS Awards and any ADS RSUs in accordance with Section 8.01(a). For the avoidance of doubt, the Distribution shall not, in and of itself, be treated as a Change in Control (as defined in the ADS Equity Plan or the Loyalty Ventures Equity Plan, as applicable).

(c) Loyalty Ventures shall prepare and file with the SEC a registration statement on an appropriate form with respect to the shares of Loyalty Ventures Common Stock subject to the Loyalty Ventures Awards pursuant to this Article 8 and shall use its reasonable best efforts to have such registration statement declared effective as soon as practicable following the Distribution Date and to maintain the effectiveness of such registration statement covering such Loyalty

Ventures Awards (and to maintain the current status of the prospectus contained therein) for so long as any Loyalty Ventures Awards remain outstanding.

(d) Prior to the Distribution Date, each party shall take all such steps as may be required to cause any dispositions of ADS Common Stock (including Adjusted ADS Awards or any other derivative securities with respect to ADS Common Stock) or acquisitions of Loyalty Ventures Common Stock (including Loyalty Ventures Awards or any other derivative securities with respect to Loyalty Ventures Common Stock) resulting from the Distribution or the transactions contemplated by this Agreement or the Separation Agreement by each individual who is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to ADS or who are or will become subject to such reporting requirements with respect to Loyalty Ventures to be exempt under Rule 16b-3 promulgated under the Exchange Act.

Section 8.06. *Employee Stock Purchase Plan.* Effective as of the Distribution Date (or, if applicable, the Delayed Transfer Date), each Loyalty Ventures Participant shall cease participation in the ADS ESPP.

ARTICLE 9
PERSONNEL RECORDS; PAYROLL AND TAX WITHHOLDING

Section 9.01. *Personnel Records*. To the extent permitted by applicable Law, each of the Loyalty Ventures Group and the ADS Group shall be permitted by the other to access and retain copies of such records, data and other personnel-related information in any form ("**Personnel Records**") as may be necessary or appropriate to carry out their respective obligations under applicable Law, the Separation Agreement or any of the Ancillary Agreements, and for the purposes of administering their respective employee benefit plans and policies. All Personnel Records shall be accessed, retained, held, used, copied and transmitted in accordance with all applicable Laws, policies and agreements between the parties hereto.

Section 9.02. *Payroll; Tax Reporting and Withholding*.

(a) Subject to the obligations of the parties as set forth in the Transition Services Agreement, effective as of no later than the Distribution Date, (i) the members of the Loyalty Ventures Group shall be solely responsible for providing payroll services (including for any payroll period already in progress) to the Loyalty Ventures Employees and for any Liabilities with respect to garnishments of the salary and wages thereof and (ii) the members of the ADS Group shall be solely responsible for providing payroll services (including for any payroll period already in progress) to the ADS Employees and for any Liabilities with respect to garnishments of the salary and wages thereof.

(b) To the extent consistent with the terms of the Tax Matters Agreement, the party that is responsible for making a payment hereunder shall be

responsible for (i) making the appropriate withholdings, if any, attributable to such payments and (ii) preparing and filing all related required forms and returns with the appropriate Governmental Authority.

ARTICLE 10
NON-U.S. EMPLOYEES AND EMPLOYEE PLANS

Section 10.01. *Special Provisions for Employees and Employee Plans Outside of the United States*.

(a) From and after the date hereof, to the extent not addressed in this Agreement, the parties shall reasonably cooperate in good faith to effect the provisions of this Agreement with respect to employees and employee-, compensation- and benefits-related matters outside of the United States (including Employee Plans covering non-U.S. ADS Participants and Non-U.S. Loyalty Ventures Participants), which in all cases shall be consistent with the general approach and philosophy regarding the allocation of assets and Liabilities (as expressly set forth in the recitals to this Agreement).

(b) Without limiting the generality of Section 3.03(a), to the extent required by applicable Law, Loyalty Ventures or a member of the Loyalty Ventures Group, as applicable, shall become a party to the applicable collective bargaining, works council, or similar arrangements with respect to Loyalty Ventures Employees or Loyalty Ventures Contractors located outside of the United States and shall comply with all obligations thereunder from and after the Distribution Date.

ARTICLE 11
GENERAL AND ADMINISTRATIVE

Section 11.01. *Sharing of Participant Information*. To the maximum extent permitted under applicable Law, ADS and Loyalty Ventures shall share, and shall cause each member of its respective Group to reasonably cooperate with the other party hereto to (i) share, with each other and their respective agents and vendors all participant information reasonably necessary for the efficient and accurate administration of each of the ADS Plans and the Loyalty Ventures Plans, (ii) provide prompt written notification regarding the termination of employment or service of any Loyalty Ventures Participant or ADS Participant to the extent relevant to the administration of an ADS Plan or Loyalty Ventures Plan, but in no event later than 30 days following such termination of employment or service, (iii) facilitate the transactions and activities contemplated by this Agreement and (iv) resolve any and all employment-related claims regarding Loyalty Ventures Participants. Loyalty Ventures and its respective authorized agents shall, subject to applicable Laws, be given reasonable and timely access to, and may make copies of, all information relating to the subjects of this Agreement in the custody of the ADS Group, to the extent reasonably necessary for such administration. ADS Group members shall be entitled to retain copies of all Loyalty Ventures

Books and Records relating to the subjects of this Agreement in the custody of the ADS Group, subject to the terms of the Separation Agreement and applicable Law.

Section 11.02. *Cooperation.* Following the date of this Agreement, the parties shall, and shall cause their respective Subsidiaries to, cooperate in good faith with respect to any employee compensation or benefits matters that either party reasonably determines require the cooperation of the other party in order to accomplish the objectives of this Agreement (including, without limitation, relating to any audits by any Governmental Authorities).

Section 11.03. *Vendor Contracts*. Prior to the Distribution Date, ADS and Loyalty Ventures will cooperate in good faith and use reasonable best efforts to (a) negotiate with the current third-party providers to separate and assign to the Loyalty Ventures Group or Loyalty Ventures Plan or the ADS Group or ADS Plan, as applicable, the applicable rights and obligations under each group insurance policy, health maintenance organization, administrative services contract, third-party administrator agreement, letter of understanding or arrangement that pertains to one or more ADS Plans or Loyalty Ventures Plans, respectively (each, a "**Vendor Contract**"), to the extent that such rights or obligations pertain to Loyalty Ventures Participants or ADS Participants, respectively, or, in the alternative, to negotiate with the current third-party providers to provide substantially similar services to a Loyalty Ventures Plan or ADS Plan, respectively, on substantially similar terms under separate contracts with a member of the Loyalty Ventures Group or the Loyalty Ventures Plans or ADS Group or the ADS Plans, respectively, as applicable and (b) to the extent permitted by the applicable third-party provider, obtain and maintain pricing discounts or other preferential terms under the applicable Vendor Contracts.

Section 11.04. *Data Privacy*. Notwithstanding anything to the contrary herein, the Parties agree that any applicable data privacy laws and any other obligations of the ADS Group and the Loyalty Ventures Group to maintain the confidentiality of any employee information held by any member of the ADS Group or the Loyalty Ventures Group, as applicable, or any information held in connection with any Employee Plans in accordance with applicable Law will govern the disclosure of employee information between the Parties under this Agreement. Each of ADS and Loyalty Ventures will ensure that it has in place appropriate technical and organizational security measures to protect the personal data of the ADS Participants and Loyalty Ventures Participants, respectively.

Section 11.05. *Notices of Certain Events*. Each of Loyalty Ventures and ADS shall promptly notify and provide copies to the other of: (a) written notice from any Person alleging that the approval or consent of such Person is or may be required in connection with the transactions contemplated by this Agreement; (b) any written notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement or the Separation Agreement; and (c) any actions, suits, claims, investigations or

proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting the Loyalty Ventures Group or the ADS Group, as the case may be, that relate to the consummation of the transactions contemplated by this Agreement or the Separation Agreement; *provided* that the delivery of any notice pursuant to this Section 11.05 shall not affect the remedies available hereunder to the party receiving such notice.

Section 11.06. *No Third Party Beneficiaries*. Notwithstanding anything to the contrary herein, nothing in this Agreement shall: (a) create any obligation on the part of any member of the Loyalty Ventures Group or any member of the ADS Group to retain the employment or services of any current or former employee, director, independent contractor or other service provider; (b) be construed to create any right, or accelerate entitlement, to any compensation or benefit whatsoever on the part of any future, present, or former employee or service provider of any member of the ADS Group or the Loyalty Ventures Group (or any beneficiary or dependent thereof) under this Agreement, the Separation Agreement, any ADS Plan or Loyalty Ventures Plan or otherwise; (c) preclude Loyalty Ventures or any Loyalty Ventures Group member (or, in each case, any successor thereto), at any time after the Distribution Date, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any Loyalty Ventures Plan, any benefit under any Loyalty Ventures Plan or any trust, insurance policy, or funding vehicle related to any Loyalty Ventures Plan (in each case in accordance with the terms of the applicable arrangement); (d) other than as required to comply with the terms of the Transition Services Agreement, preclude ADS or any ADS Group member (or, in each case, any successor thereto), at any time after the Distribution Date, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any ADS Plan, any benefit under any ADS Plan or any trust, insurance policy, or funding vehicle related to any ADS Plan (in each case in accordance with the terms of the applicable arrangement); or (e) confer any rights or remedies (including any third-party beneficiary rights) on any current or former employee or service provider of any member of the ADS Group or the Loyalty Ventures Group or any beneficiary or dependent thereof or any other Person.

Section 11.07. *Fiduciary Matters*. ADS and Loyalty Ventures each acknowledge that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable Law, and no party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination (as supported by advice from counsel experienced in such matters) that to do so would violate such a fiduciary duty or standard. Each party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other party for any Liabilities caused by the failure to satisfy any such responsibility.

Section 11.08. *Consent of Third Parties*. If any provision of this Agreement is dependent on the consent of any third party (such as a vendor or Governmental Authority), the parties shall cooperate in good faith and use reasonable best efforts to obtain such consent, and if such consent is not obtained, to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, the parties shall negotiate in good faith to implement the provision in a mutually satisfactory manner. A party's obligation to use its "reasonable best efforts" shall not require such party to take any action to the extent it would reasonably be expected to (i) jeopardize, or result in the loss or waiver of, any attorney-client or other legal privilege, (ii) contravene any applicable Law or fiduciary duty, (iii) result in the loss of protection of any Intellectual Property or other proprietary information or (iv) incur any non-routine or unreasonable cost or expense.

Section 11.09. *Sponsored Employees*. The parties shall, and shall cause their respective Group members to, cooperate in good faith with each other and the applicable Governmental Authorities with respect to the process of obtaining work authorization for each Sponsored Employee to work with Loyalty Ventures or a Loyalty Ventures Group member, including but not limited to, petitioning the applicable Governmental Authorities for the transfer of each Sponsored Employee's (as well as any spouse or dependent thereof, as applicable) visa or work permit, or the grant of a new visa or work permit, to any Loyalty Ventures Group member. Any costs or expenses incurred with the foregoing shall constitute Loyalty Ventures Assumed Employee Liabilities. In the event that it is not legally permissible for a Sponsored Employee to continue work with the Loyalty Ventures Group from and after the Distribution Date, the parties shall reasonably cooperate to provide for the services of such Sponsored Employee to be made available exclusively to the Loyalty Ventures Group under an employee secondment or similar arrangement, which any costs incurred by the ADS Group (including those relating to compensation and benefits in respect of such Sponsored Employee) shall constitute Loyalty Ventures Assumed Employee Liabilities.

ARTICLE 12
NON-SOLICIT AND NO-HIRE

Section 12.01. *No-Hire/Non-Solicitation of Employees*.

(a) During the applicable Restricted Period, Loyalty Ventures shall not, and shall cause each member of the Loyalty Ventures Group not to, (i) solicit or induce, or attempt to solicit or induce, any ADS Employee to terminate his or her employment or service relationship with any member of the ADS Group or (ii) hire any ADS Employee who is or was employed by any member of the ADS Group at any time prior to the expiration of the applicable Restricted Period (other than, for the avoidance of doubt, a Loyalty Ventures Employee); *provided* that (A) the restrictions set forth in clause (i) of this Section 12.01(a) shall not prohibit

any member of the Loyalty Ventures Group from placing public advertisements or conducting any other form of general solicitation that is not specifically targeted toward an ADS Employee (*provided* that nothing in this proviso shall permit the hiring of an ADS Employee who responds to any such public advertisement or general solicitation which would otherwise be restricted by clause (ii) of this Section 12.01(a), (B) the restrictions in clause (ii) of this Section 12.01(a) shall not apply to hiring (1) any ADS Employee who has ceased employment with the ADS Group for a period of at least (x) six months, in the case of such employees who are at the level of Senior Vice President or above, and (y) three months, in the case of such employees who are at the level of Vice President or (2) any ADS Employee whose employment was involuntarily terminated by a member of the ADS Group.

(b) During the applicable Restricted Period, ADS shall not, and shall cause each member of the ADS Group not to, (i) solicit or induce, or attempt to solicit or induce, any Loyalty Ventures Employee to terminate his or her employment or service relationship with any member of the Loyalty Ventures Group or (ii) hire any Loyalty Ventures Employee who is or was employed by any member of the Loyalty Ventures Group at any time prior to the expiration of the applicable Restricted Period (other than, for the avoidance of doubt, any ADS Employee); *provided* that (A) the restrictions set forth in clause (i) of this Section 12.01(b) shall not prohibit any member of the ADS Group from placing public advertisements or conducting any other form of general solicitation that is not specifically targeted toward a Loyalty Ventures Employee (*provided* that nothing in this proviso shall permit the hiring of a Loyalty Ventures Employee who responds to any such public advertisement or general solicitation which would otherwise be restricted by clause (ii) of this Section 12.01(b), (B) the restrictions in clause (ii) of this Section 12.01(b) shall not apply to hiring (1) any Loyalty Ventures Employee who has ceased employment with the Loyalty Ventures Group for a period of at least (x) six months, in the case of such employees who are at the level of Senior Vice President or above, and (y) three months, in the case of such employees who are at the level of Vice President or (2) Loyalty Ventures Employee whose employment was involuntarily terminated by a member of the Loyalty Ventures Group.

(c) The Parties acknowledge and agree that one or more exceptions may be made to the provisions of this Article 12 at the sole discretion, and with the written consent of, the General Counsel of ADS and Loyalty Ventures, as applicable. Any exception made shall not be used as a precedent to compel or allow any further exception(s).

ARTICLE 13
MISCELLANEOUS

Section 13.01. *General*. The provisions of Article 6 of the Separation Agreement (other than Section 6.06 as it relates to Third-Party Beneficiaries of the Separation Agreement) are hereby incorporated by reference into and deemed part of this Agreement and shall apply, *mutatis mutandis*, as if fully set forth in this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

ALLIANCE DATA SYSTEMS CORPORATION

By: /s/ Ralph J. Andretta
Name: Ralph J. Andretta
Title: President and Chief Executive Officer

LOYALTY VENTURES INC.

By: /s/ Charles L. Horn
Name: Charles L. Horn
Title: President and Chief Executive Officer

[Signature Page to Employee Matters Agreement]

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "**Agreement**") is made as of November 5, 2021 by and among Loyalty Ventures Inc., a Delaware corporation (the "**Company**") and Alliance Data Systems Corporation, a Delaware corporation ("**ADS**").

RECITALS

WHEREAS, the Holders collectively beneficially own an aggregate number of shares of Common Stock (as defined below) representing approximately 19% of the outstanding shares of Common Stock as of the date hereof; and

WHEREAS, the Parties desire to enter into an agreement to provide for certain rights and obligations associated with ADS' Common Stock ownership.

NOW, THEREFORE, in consideration of the premises and mutual agreements, covenants and provisions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, agree as follows:

ARTICLE I
DEFINITIONS

For purposes of this Agreement, the following terms have the meanings indicated:

"**Additional Piggyback Rights**" has the meaning set forth in Section 2.2(b).

"**ADS**" has the meaning set forth in the preamble to this Agreement.

"**Affiliate**" means with respect to any Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, contract or otherwise.

"**Agreement**" has the meaning set forth in the preamble to this Agreement.

"**Automatic Shelf Registration Statement**" has the meaning set forth in Section 2.1(a)(i).

"**beneficial ownership**" and related terms such as "beneficially owned" or "beneficial owner" have the meaning given such terms in Rule 13d-3 under the Exchange Act and a Person's beneficial ownership of Capital Stock shall be calculated in accordance with the provisions of such rule.

"**Block Trade**" means an offering and/or sale of Registrable Securities by the Holders on a block trade or underwritten basis (whether firm commitment or otherwise)

without substantial marketing efforts prior to pricing, including, without limitation, a same day trade, overnight trade or similar transaction.

"**Board**" means the Board of Directors of the Company.

"**Business Day**" means any day other than a day on which the SEC is closed.

"**Capital Stock**" means any and all shares of common stock, preferred stock or other forms of equity authorized and issued by the Company (however designated, whether voting or non-voting) and any instruments convertible into or exercisable or exchangeable for any of the foregoing (including any options or swaps).

"**Claims**" has the meaning set forth in Section 2.8(a)(i).

"**Common Stock**" means the common stock, par value $0.01 per share, of the Company and any and all securities of any kind whatsoever of the Company which may be issued after the date of this Agreement in respect of, or in exchange for, such shares of common stock of the Company pursuant to a merger, consolidation, stock split, stock dividend or recapitalization of the Company or otherwise.

"**Common Stock Equivalents**" means (a) all securities directly or indirectly convertible into, or exchangeable or exercisable for (at any time or upon the occurrence of any event or contingency and without regard to any vesting or other conditions to which such securities may be subject), shares of Common Stock, (b) all securities of the Company with voting rights or rights to appoint or designate for nomination individuals to the Board and (c) all securities that cannot be purchased or otherwise acquired unless purchased or otherwise acquired with any of the securities referenced in clause (a) or (b).

"**Company**" has the meaning set forth in the preamble to this Agreement.

"**Demand Registration**" has the meaning set forth in Section 2.1(a)(i).

"**Demand Registration Request**" has the meaning set forth in Section 2.1(a)(i).

"**Disclosure Package**" means, with respect to any offering of Registrable Securities, (i) the preliminary Prospectus, (ii) each Free Writing Prospectus, and (iii) all other information, in each case, that is deemed, under Rule 159 under the Securities Act, to have been conveyed to purchasers of Registrable Securities at the time of sale of such securities.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as in effect from time to time.

"**Expenses**" means any and all fees and expenses incident to the Company's performance of or compliance with Article II, including, without limitation: (i) SEC, stock exchange or FINRA registration and filing fees and all listing fees and fees with respect to the inclusion of securities on Nasdaq or on any other securities market on which the Common Stock is listed or quoted; (ii) fees and expenses of compliance with

state securities or "blue sky" laws of any state or jurisdiction of the United States or compliance with the securities laws of foreign jurisdictions and in connection with the preparation of a "blue sky" survey, including, without limitation, reasonable fees and expenses of outside "blue sky" counsel and securities counsel in foreign jurisdictions; (iii) printing and copying expenses; (iv) messenger and delivery expenses; (v) expenses incurred in connection with any road show; (vi) fees and disbursements of counsel for the Company; (vii) with respect to each registration or underwritten offering, the reasonable fees and disbursements of one counsel for the Holders, together with any local counsel, up to an aggregate amount of $100,000 per offering; (viii) fees and disbursements of its registered independent public accounting firm (including the expenses of any audit and/or "comfort" letter and updates thereof) and fees and expenses of other Persons, including special experts, retained by the Company; (ix) fees and expenses of any transfer agent or custodian; and (x) expenses for securities law liability insurance and, if any, rating agency fees. For the avoidance of doubt, Expenses shall not include the amounts specified in Section 2.5(b)(y) or the fees or expenses of any underwriters' counsel.

"**FINRA**" means the Financial Industry Regulatory Authority, Inc. or any successor regulatory organization.

"**Free Writing Prospectus**" means any "free writing prospectus" as defined in Rule 405 promulgated under the Securities Act relating to the Registrable Securities included in the applicable Registration Statement that has been approved for use by the Company.

"**Governmental Authority**" means any federal, national, foreign, supranational, state, provincial, county, local or other government, governmental, regulatory or administrative authority, agency, instrumentality or commission or any court, tribunal, or judicial or arbitral body of competent jurisdiction.

"**Holders**" means ADS, together with each transferee of ADS that acquires Registrable Securities from ADS other than pursuant to a registered offering or Rule 144 (but only for so long as such transferee holds Registrable Securities), and their respective successors and permitted assigns, in each case provided such Person executes a joinder to this Agreement in form and substance reasonably satisfactory to the Company.

"**issuer free writing prospectus**" has the meaning set forth in Section 2.9.

"**Law**" means any U.S. or non-U.S. federal, state, local, national, supranational, foreign or administrative law (including common law), statute, ordinance, regulation, requirement, regulatory interpretation, rule, code or Order.

"**Nasdaq**" means the Nasdaq Stock Market LLC.

"**Order**" means any order (temporary or otherwise), judgment, injunction, award, decision, determination, stipulation, ruling, subpoena, writ, decree or verdict entered by or with any Governmental Authority.

"**Party**" and "**Parties**" means the parties to this Agreement.

"**Person**" means any individual, corporation, partnership, limited partnership, limited liability company, joint venture, syndicate, person (as defined in Section 13(d)(3) of the Exchange Act), trust, association, entity, Governmental Authority or other organization of any kind.

"**Piggyback Request**" has the meaning set forth in Section 2.2(a).

"**Piggyback Shares**" has the meaning set forth in Section 2.3(a)(iii).

"**Postponement Period**" has the meaning set forth in Section 2.1(b).

"**Prospectus**" means the prospectus included in a Registration Statement, as amended or supplemented by any prospectus supplement and by all other amendments thereto, including post-effective amendments, and all material incorporated by reference, or deemed to be incorporated by reference, into such prospectus.

"**Public Offering**" means an underwritten public offering of the Shares pursuant to an effective Registration Statement, other than (i) pursuant to a Registration Statement on Form S-4 or Form S-8 or any similar or successor form under the Securities Act or (ii) in connection with an offering of subscription rights.

"**Qualified Independent Underwriter**" means a "qualified independent underwriter" within the meaning of FINRA Rule 5121.

"**Registrable Securities**" means (a) any Shares held by the Holders at any time (including those held as a result of, or issuable upon, the conversion or exercise of Common Stock Equivalents), whether now owned or acquired by the Holders at a later time, (b) any Shares issued or issuable, directly or indirectly, in exchange for or with respect to the Shares referenced in clause (a) above by way of stock dividend, stock split or combination of Shares or in connection with a reclassification, recapitalization, merger, share exchange, consolidation or other reorganization and (c) any securities issued in replacement of or exchange for any securities described in clause (a) or (b) above. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when (A) a Registration Statement with respect to the sale of such securities shall have been declared effective under the Securities Act and such securities shall have been disposed of in accordance with such Registration Statement or (B) such securities shall have been sold (other than in a privately negotiated sale) in compliance with the requirements of Rule 144 under the Securities Act, as such Rule 144 may be amended (or any successor provision thereto).

"**Registration Statement**" means a registration statement of the Company on an appropriate form under the Securities Act filed with the SEC covering the resale of Registrable Securities, including the Prospectus, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all materials incorporated by reference or deemed to be incorporated by reference in such Registration Statement.

"**Resale Shelf Registration**" has meaning set forth in Section 2.1(e).

"**Rule 144**" means Rule 144 under the Securities Act or any replacement or successor rule promulgated under the Securities Act.

"**SEC**" means the United States Securities and Exchange Commission.

"**Section 2.3(a) Sale Number**" has the meaning set forth in Section 2.3(a).

"**Section 2.3(b) Sale Number**" has the meaning set forth in Section 2.3(b).

"**Section 2.3(c) Sale Number**" has the meaning set forth in Section 2.3(c).

"**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as in effect from time to time.

"**Shares**" means shares of Common Stock of the Company and any and all securities of any kind whatsoever of the Company which may be issued in respect of, or in exchange for, such shares of common stock of the Company pursuant to a merger, consolidation, stock split, stock dividend or recapitalization of the Company or otherwise.

"**Shelf Registrable Securities**" has the meaning set forth in Section 2.1(f).

"**Shelf Registration Statement**" has the meaning set forth in Section 2.1(f).

"**Shelf Underwriting**" has the meaning set forth in Section 2.1(f).

"**Shelf Underwriting Request**" has the meaning set forth in Section 2.1(f).

"**Short-Form Registration**" has the meaning set forth in Section 2.1(a)(i).

"**Valid Business Reason**" has the meaning set forth in Section 2.1(b).

"**WKSI**" has the meaning set forth in Section 2.1(a)(i).

ARTICLE II
REGISTRATION RIGHTS

Section 2.1. Demand Registration.

(a) (i) Subject to Sections 2.1(b) and 2.3, the Holders shall have the right to require the Company to file one or more Registration Statements covering all or any part of its Registrable Securities by delivering a written request therefor to the Company specifying the number of Registrable Securities to be included in such registration and the intended method of distribution therefor (a "**Demand Registration Request**"). The registration so requested is referred to herein as a "**Demand Registration**". Any Demand Registration Request may request that the Company register Registrable Securities on an appropriate form, including Form S-1 or on Form S-3 or any similar short-form registration available to the Company, including a Shelf Registration Statement (as defined below) and, if the Company is a well-known seasoned issuer (as defined in Rule

405 under the Securities Act) (a "**WKSI**"), an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) (an "**Automatic Shelf Registration Statement**") (each, a "**Short-Form Registration**"). Demand Registrations will be Short-Form Registrations whenever the Company is permitted to use any applicable short form.

(ii) The Company, subject to Sections 2.3 and 2.6, shall include in a Demand Registration the Registrable Securities of the Holders.

(iii) The Company shall, subject to Section 2.1(b), use its commercially reasonable efforts to (x) no later than (A) thirty (30) days following receipt of a Demand Registration Request for a Short-Form Registration and (B) forty-five (45) days following receipt of a Demand Registration Request for a registration that is not a Short-Form Registration, file with the SEC a Registration Statement for the registration under the Securities Act (including, without limitation, by means of a Shelf Registration Statement, as defined below, if so requested and if the Company is then eligible to use such a registration) of the Registrable Securities which the Company has been so requested to register, for distribution in accordance with such intended method of distribution, (y) once filed, cause such Registration Statement to be declared effective as soon as practicable following the filing and (z) if requested by the Holders, obtain acceleration of the effective date of the Registration Statement relating to such registration.

(b) Notwithstanding anything to the contrary in Section 2.1(a), the Demand Registration rights granted in Section 2.1(a) are subject to the following limitations: (i) the Company shall not be required to effect more than five (5) total Demand Registrations and Shelf Underwritings (as defined below) in the aggregate during the term of this Agreement or more than one Demand Registration (which shall be deemed to include for these purposes any Shelf Underwriting, which are subject to this Section 2.1(b) *mutatis mutandis*) in any one hundred twenty (120)-day period (it being understood that a registration pursuant to a Piggyback Request (as defined below) by the Holders shall not constitute a Demand Registration for the purposes of this Section 2.1(b)); (ii) each registration in respect of a Demand Registration Request made by the Holders must include, in the aggregate, net of underwriting discounts and commissions (based on the Common Stock included in such registration by all holders participating in such registration), shares of Common Stock having an aggregate market value of at least $35,000,000 (or a lesser amount if the Registrable Securities requested by the Holders to be included in such Demand Registration constitute all of the Registrable Securities held by all Holders); and (iii) if the Board, in its good faith judgment, after consultation with outside counsel to the Company, determines that any registration of Registrable Securities should not be made or continued because it would require the Company to disclose material non-public information which, (A) would be required to be made in any report or Registration Statement filed with the SEC by the Company so that such report or Registration Statement would not be materially misleading, (B) would not be required to be made at such time but for the filing, effectiveness or continued use of such report or Registration Statement and (C) the Company disclosing publicly would adversely affect any financing, acquisition, merger or other material transaction or event involving the Company or otherwise have a material adverse effect on the Company (in each case, a

"**Valid Business Reason**"), then (x) the Company may postpone filing a Registration Statement relating to a Demand Registration Request until five (5) Business Days after such Valid Business Reason no longer exists, but in no event for more than ninety (90) days after the date the Board determines a Valid Business Reason exists and (y) in case a Registration Statement has been filed relating to a Demand Registration Request, the Company may, to the extent determined in the good faith judgment of the Board to be reasonably necessary to avoid interference with any of the transactions described above, cause such Registration Statement to be withdrawn and its effectiveness terminated or suspend the use of such Registration Statement by the Holders or may postpone amending or supplementing such Registration Statement until five (5) Business Days after such Valid Business Reason no longer exists, but in no event for more than ninety (90) days after the date the Board determines a Valid Business Reason exists (such period of suspension, postponement or withdrawal under this clause (iii), the "**Postponement Period**"). The Company shall give written notice of its determination to suspend, postpone or withdraw a Registration Statement and of the fact that the Valid Business Reason for such postponement or withdrawal no longer exists, together with a certificate of such determination signed by the Chief Executive Officer or Chief Financial Officer of the Company, in each case, promptly after the occurrence thereof; *provided*, that the Company shall not be permitted to suspend, postpone or withdraw a Registration Statement for more than an aggregate of ninety (90) days in any twelve (12)-month period.

If the Company shall give any notice of suspension, postponement or withdrawal of any Registration Statement pursuant to clause (b)(iii) above, the Company shall not, during the Postponement Period, register any Common Stock, other than pursuant to a Registration Statement on Form S-4 or S-8 (or an equivalent registration form then in effect). The Holders agree that, upon receipt of any notice from the Company that the Company has determined to suspend, withdraw, terminate or postpone amending or supplementing any Registration Statement pursuant to clause (b)(iii) above, the Holders will discontinue its disposition of Registrable Securities pursuant to such Registration Statement. If the Company shall have withdrawn or prematurely terminated a Registration Statement filed under Section 2.1(a)(i) (whether pursuant to clause (b)(iii) above or as a result of any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court), the Company shall not be considered to have effected an effective registration for the purposes of this Agreement until the Company shall have filed a new Registration Statement covering the Registrable Securities covered by the withdrawn or terminated Registration Statement and such Registration Statement shall have been declared effective and shall not have been withdrawn. If the Company shall give any notice of suspension, withdrawal or postponement of a Registration Statement, the Company shall, not later than five (5) Business Days after the Valid Business Reason that caused such suspension, withdrawal or postponement no longer exists (but in no event later than forty-five (45) days after the date of the suspension, postponement or withdrawal), use its commercially reasonable efforts to effect the registration under the Securities Act of the Registrable Securities covered by the suspended, withdrawn or postponed Registration Statement in accordance with this Section 2.1 (unless the Holders shall have withdrawn such request, in which case the

Company shall not be considered to have effected an effective registration for the purposes of this Agreement).

(c) In connection with any Demand Registration, the Holders shall have the right to designate the lead managing underwriter in connection with any underwritten offering pursuant to such registration.

(d) The obligation to effect a Demand Registration as described in this Section 2.1 shall be deemed satisfied only when a Registration Statement covering the applicable Registrable Securities shall have become effective (unless, after effectiveness, the Registration Statement becomes subject to any stop order, injunction or other order of the SEC or other governmental agency, in which case the obligation shall not be deemed satisfied) and, if the method of disposition is a firm commitment underwritten Public Offering, all such Registrable Securities (less any reduced pursuant to Section 2.3) have been sold pursuant thereto. Any request for a Demand Registration shall not count against the limitations on the number of Demand Registrations required to be effected set forth in Section 2.1(b) unless the obligation to effect such Demand Registration is deemed satisfied.

(e) If requested in writing by the Holders of a majority of all of the Registrable Securities, the Company shall prepare, file with the SEC and use commercially reasonable efforts to have effective as promptly as practicable following the date of such request a Registration Statement for the sale or distribution by the Holders of all of the Registrable Securities held by the Holders on a delayed or continuous basis pursuant to Rule 415 of the Securities Act, including by way of an underwritten offering, block sale or other distribution plan (the "**Resale Shelf Registration**"), to be filed and declared effective under the Securities Act, and, if the Company is a WKSI at the time of such Resale Shelf Registration, to cause such Resale Shelf Registration to be an Automatic Shelf Registration Statement, and once effective, the Company shall use commercially reasonable efforts to cause the Resale Shelf Registration to remain effective (including by filing a new Resale Shelf Registration, if necessary) for a period ending on the earliest of (i) the date on which all Registrable Securities included in such registration have been sold or distributed pursuant to the Resale Shelf Registration, (ii) the date as of which there are no longer in existence any Registrable Securities covered by the Resale Shelf Registration and (iii) an earlier date agreed to in writing by the Company and the Holders. For the avoidance of doubt, nothing set forth herein shall require the Company to file the Resale Shelf Registration or to keep effective the Resale Shelf Registration at any time during which the Company is ineligible to use any applicable short-form registration; *provided*, that at such time, the Company shall use its commercially reasonable efforts to become and remain qualified to use Short-Form Registrations and, upon the request of the Holders pursuant to this Article II, the Company shall prepare and file with the SEC a Registration Statement or Registration Statements on such form that is available for the sale of the Registrable Securities that were to be otherwise sold or distributed under such Resale Shelf Registration.

(f) In the event that the Company files a shelf Registration Statement under Rule 415 of the Securities Act whether pursuant to a Demand Registration Request or the

Resale Shelf Registration and such registration becomes effective (such Registration Statement, a "**Shelf Registration Statement**"), the Holders shall have the right at any time or from time to time to elect to sell pursuant to an underwritten offering Registrable Securities available for sale pursuant to such Registration Statement ("**Shelf Registrable Securities**"), so long as the Shelf Registration Statement remains in effect and only if the method of distribution set forth in the Shelf Registration Statement allows for sales pursuant to an underwritten offering. The Holders shall make such election by delivering to the Company a written request (a "**Shelf Underwriting Request**") for such underwritten offering to the Company specifying the number of Shelf Registrable Securities that the Holders desire to sell pursuant to such underwritten offering (the "**Shelf Underwriting**"). The Company, subject to Sections 2.3 and 2.6, shall include in such Shelf Underwriting the Shelf Registrable Securities of the Holders. The Company shall, as expeditiously as possible (and in any event within ten (10) days after the receipt of a Shelf Underwriting Request), but subject to Section 2.1(b), which shall apply *mutatis mutandis* to any Shelf Underwriting, use its commercially reasonable efforts to facilitate such Shelf Underwriting. Notwithstanding the foregoing, if the Holders wish to engage in a Block Trade off of a Shelf Registration Statement (either through filing an Automatic Shelf Registration Statement or through a take-down from an already existing Shelf Registration Statement), then notwithstanding the foregoing time periods, (A) the Holders need to notify the Company of the Block Trade Shelf Underwriting no later than 2:00 p.m. Eastern time five (5) Business Days prior to the day such offering is targeted to commence and (B) the Company shall as expeditiously as possible use its commercially reasonable efforts to facilitate such shelf offering (which may close as early as three (3) Business Days after the date it commences); provided, that the Holders shall use commercially reasonable efforts to work with the Company and the underwriters prior to making such request in order to facilitate preparation of the Registration Statement, Prospectus and other offering documentation related to the Block Trade. For the avoidance of doubt, any party holding Additional Piggyback Rights (as defined below) shall not be entitled to receive notice of, or to elect to participate in, a Block Trade or any Shelf Registration Statement or Prospectus to be used in connection with such Block Trade. The Company shall, at the request of the Holders, file any Prospectus supplement or, if the applicable Shelf Registration Statement is an Automatic Shelf Registration Statement, any post-effective amendments and otherwise take any action necessary to include therein all disclosure and language reasonably deemed necessary or advisable by the Holders to effect such Shelf Underwriting, subject to Section 2.1(b). Notwithstanding anything to the contrary in this Section 2.1(f), each Shelf Underwriting must include, in the aggregate, net of underwriting discounts and commissions (based on the Common Stock included in such Shelf Underwriting by all participants in such Shelf Underwriting), shares of Common Stock having an aggregate market value of at least $35,000,000 (or a lesser amount if the Registrable Securities of the Holders to be included in such Shelf Underwriting constitute all of the Registrable Securities held by all Holders).

Section 2.2. Piggyback Registration.

(a) If the Company proposes or is required to register any of its equity securities for its own account or for the account of any other stockholder under the

Securities Act (other than pursuant to (i) a Shelf Underwriting (which shall be governed by Section 2.1 hereof) or (ii) registrations on Form S-4 or Form S-8 or any similar successor forms thereto), the Company shall give prompt written notice of its intention to do so to the Holders, at least five (5) Business Days prior to the filing of any Registration Statement under the Securities Act. Upon the written request of the Holders (a "**Piggyback Request**"), made within three (3) Business Days following the receipt of any such written notice (which request shall specify the maximum number of Registrable Securities intended to be disposed of by the Holders and the intended method of distribution thereof), the Company shall, subject to Section 2.2(c), 2.3 and 2.6 hereof, use its commercially reasonable efforts to cause all such Registrable Securities, the holders of which have so requested the registration thereof, to be registered under the Securities Act with the securities that the Company at the time proposes to register to permit the sale or other disposition by the Holders (in accordance with the intended method of distribution thereof) of the Registrable Securities to be so registered, including, if necessary, by filing with the SEC a post-effective amendment or a supplement to the Registration Statement filed by the Company or the Prospectus related thereto. There is no limitation on the number of such piggyback registrations pursuant to the preceding sentence which the Company is obligated to effect. No registration of Registrable Securities effected under this Section 2.2(a) shall relieve the Company of its obligations to effect Demand Registrations under Section 2.1 hereof.

(b) The Company, subject to Sections 2.3 and 2.6, may elect to include in any Registration Statement and offering pursuant to Demand Registration rights by any Holders, (i) authorized but unissued shares of Common Stock or shares of Common Stock held by the Company as treasury shares and (ii) with the prior written consent, which shall not be unreasonably withheld or delayed, of the Holders in the case of a registration pursuant to Section 2.1, any other shares of Common Stock which are requested to be included in such registration pursuant to the exercise of piggyback registration rights granted by the Company after the date hereof and which are not inconsistent with the rights granted in, or otherwise conflict with the terms of, this Agreement ("**Additional Piggyback Rights**"); *provided*, that with respect to any underwritten offering, such inclusion shall be permitted only to the extent that it is pursuant to, and subject to, the terms of the underwriting agreement or arrangements, if any, entered into by the Holders.

(c) If, at any time after giving written notice of its intention to register any equity securities and prior to the effective date of the Registration Statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such equity securities, the Company may, at its election, give written notice of such determination to the Holders and (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such abandoned registration, without prejudice, however, to the rights of the Holders under Section 2.1 and (ii) in the case of a determination to delay such registration of its equity securities, shall be permitted to delay the registration of such Registrable Securities for the same period as the delay in registering such other equity securities.

(d) The Holders shall have the right to withdraw their request for inclusion of their Registrable Securities in any Registration Statement pursuant to this Section 2.2 by giving written notice to the Company of its request to withdraw; provided, that such request must be made in writing prior to the earlier of the execution of the underwriting agreement or the execution of the custody agreement with respect to such registration.

(e) Notwithstanding anything contained herein to the contrary, the Company shall, at the request of the Holders, file any Prospectus supplement or post-effective amendments, or include in the initial Registration Statement any disclosure or language, or include in any Prospectus supplement or post-effective amendment any disclosure or language reasonably deemed necessary or advisable by the Holders.

Section 2.3. Allocation of Securities Included in Registration Statement.

(a) If any requested registration made pursuant to Section 2.1 (including a Shelf Underwriting) involves an underwritten offering and the managing underwriter of such offering shall advise the Company that, in its view, the number of securities requested to be included in such underwritten offering by the Holders, the Company or any other Persons exercising Additional Piggyback Rights exceeds the largest number (the "**Section 2.3(a) Sale Number**") that can be sold in an orderly manner in such underwritten offering within a price range acceptable to the Holders, the Company shall use its commercially reasonable efforts to include in such underwritten offering:

(i) first, all Registrable Securities requested to be included in such underwritten offering by the Holders; *provided*, that if the number of such Registrable Securities exceeds the Section 2.3(a) Sale Number, the number of such Registrable Securities (not to exceed the Section 2.3(a) Sale Number) to be included in such underwritten offering shall be allocated on a pro rata basis among the Holders, based on the number of Registrable Securities then owned by each such Holder requesting inclusion in relation to the aggregate number of Registrable Securities owned by all Holders requesting inclusion;

(ii) second, to the extent that the number of Registrable Securities to be included pursuant to clause (i) of this Section 2.3(a) is less than the Section 2.3(a) Sale Number, any securities that the Company proposes to register; *provided*, that the number of such securities when aggregated with that number of Registrable Securities to be included pursuant to clause (i) totals no more than the Section 2.3(a) Sale Number; and

(iii) third, to the extent that the number of Registrable Securities to be included pursuant to clauses (i) and (ii) of this Section 2.3(a) is less than the Section 2.3(a) Sale Number, the remaining Registrable Securities to be included in such underwritten offering shall be allocated on a pro rata basis among all Persons requesting that securities be included in such underwritten offering pursuant to the exercise of Additional Piggyback Rights ("**Piggyback Shares**"), based on the number of Piggyback Shares then owned by each Person requesting inclusion in relation to the aggregate number of Piggyback Shares owned by all

Persons requesting inclusion; *provided*, that the number of such securities when aggregated with that number of Registrable Securities to be included pursuant to clauses (i) and (ii) totals no more than the Section 2.3(a) Sale Number.

(b) If any registration or offering made pursuant to Section 2.2 involves an underwritten primary offering on behalf of the Company and the managing underwriter shall advise the Company that, in its view, the number of securities requested to be included in such underwritten offering by the Holders, the Company or any other Persons exercising Additional Piggyback Rights exceeds the largest number (the "**Section 2.3(b) Sale Number**") that can be sold in an orderly manner in such underwritten offering within a price range acceptable to the Company, the Company shall include in such underwritten offering:

(i) first, all equity securities that the Company proposes to register for its own account;

(ii) second, to the extent that the number of Registrable Securities to be included pursuant to clause (i) of this Section 2.3(b) is less than the Section 2.3(b) Sale Number, the remaining Registrable Securities to be included in such underwritten offering shall be allocated on a pro rata basis among the Holders, based on the number of Registrable Securities then owned by each such holder requesting inclusion in relation to the aggregate number of Registrable Securities owned by all such Holders requesting inclusion; *provided*, that the number of such remaining Registrable Securities when aggregated with that number of equity securities to be included pursuant to clause (i) totals no more than the Section 2.3(b) Sale Number; and

(iii) third, to the extent that the number of Registrable Securities to be included pursuant to clauses (i) and (ii) of this Section 2.3(b) is less than the Section 2.3(b) Sale Number, the remaining Registrable Securities to be included in such underwritten offering shall be allocated on a pro rata basis among all Persons requesting that securities be included in such underwritten offering pursuant to the exercise of Additional Piggyback Rights, based on the number of Piggyback Shares then owned by each Person requesting inclusion in relation to the aggregate number of Piggyback Shares owned by all Persons requesting inclusion; *provided*, that the number of such securities when aggregated with that number of Registrable Securities to be included pursuant to clauses (i) and (ii) totals no more than the Section 2.3(b) Sale Number.

(c) If any registration pursuant to Section 2.2 involves an underwritten offering that was initially requested by any Person(s) requesting that securities be included in such underwritten offering pursuant to the exercise of Additional Piggyback Rights and the managing underwriter shall advise the Company that, in its view, the number of securities requested to be included in such underwritten offering exceeds the number (the "**Section 2.3(c) Sale Number**") that can be sold in an orderly manner in such underwritten offering within a price range acceptable to the Company, the Company shall include in such underwritten offering:

(i) first, the shares requested to be included in such underwritten offering shall be allocated on a pro rata basis among all Persons requesting that securities be included in such underwritten offering pursuant to the exercise of Additional Piggyback Rights, based on the aggregate number of Piggyback Shares then owned by each Person requesting inclusion in relation to the aggregate number of Piggyback Shares owned by all such Persons requesting inclusion, up to the Section 2.3(c) Sale Number;

(ii) second, to the extent that the number of Piggyback Shares to be included pursuant to clause (i) of this Section 2.3(c) is less than the Section 2.3(c) Sale Number, the remaining Registrable Securities to be included in such underwritten offering shall be allocated on a pro rata basis among the Holders requesting that Registrable Securities be included in such underwritten offering pursuant to the exercise of piggyback rights pursuant to Section 2.2, based on the aggregate number of Registrable Securities then owned by each Holder requesting inclusion in relation to the aggregate number of Registrable Securities owned by all such Holders requesting inclusion, up to the Section 2.3(c) Sale Number; *provided*, that the number of such securities when aggregated with that number of Registrable Securities to be included pursuant to clause (i) totals no more than the Section 2.3(c) Sale Number; and

(iii) third, to the extent that the number of Piggyback Shares and Registrable Securities to be included pursuant to clauses (i) and (ii) of this Section 2.3(c) is less than the Section 2.3(c) Sale Number, the remaining Registrable Securities to be included in such underwritten offering shall be allocated to shares the Company proposes to register for its own account; *provided*, that the number of such securities when aggregated with that number of Registrable Securities to be included pursuant to clauses (i) and (ii) totals no more than the Section 2.3(c) Sale Number.

(d) If, as a result of the proration provisions set forth in clauses (a), (b) or (c) of this Section 2.3, the Holders shall not be entitled to include all Registrable Securities in an underwritten offering that the Holders have requested be included, the Holders may elect to withdraw its request to include Registrable Securities in the registration to which such underwritten offering relates or may reduce the number requested to be included; *provided*, that (x) such request must be made in writing prior to the earlier of the execution of the underwriting agreement or the execution of the custody agreement with respect to such registration and (y) such withdrawal or reduction shall be irrevocable and, after making such withdrawal or reduction, the Holders shall no longer have any right to include Registrable Securities in the registration as to which such withdrawal or reduction was made to the extent of the Registrable Securities so withdrawn or reduced.

Section 2.4. Registration Procedures. Whenever the Holders request that any Registrable Securities be registered pursuant to Section 2.1 or Section 2.2, subject to the provisions of those Sections, the Company will use its commercially reasonable efforts to effect the registration and the offer and sale of such Registrable Securities in accordance with the intended method of disposition thereof as soon as reasonably practicable, and

shall, in connection with any such request, other than during any Postponement Period, use commercially reasonable efforts to:

(a) prepare and file with the SEC a Registration Statement on an appropriate registration form of the SEC for the disposition of such Registrable Securities in accordance with the intended method of disposition thereof, which registration form (i) shall be selected by the Company and (ii) shall, in the case of a shelf registration, be available for the sale of the Registrable Securities by the selling Holders thereof and such Registration Statement shall comply as to form in all material respects with the requirements of the applicable registration form and include all financial statements required by the SEC to be filed therewith, and the Company shall use its commercially reasonable efforts to cause such Registration Statement to become effective and remain continuously effective for such period as the Holders shall request, and no less than one hundred eighty (180) days, (provided, that as far in advance as reasonably practicable before filing a Registration Statement or Prospectus or any amendments or supplements thereto, or comparable statements under securities or state "blue sky" laws of any jurisdiction, or any Free Writing Prospectus related thereto, or before sending a response to an SEC comment letter prior to any such filing, the Company will furnish to counsel for the Holders participating in the planned offering and to one counsel for the managing underwriter, if any, copies of reasonably complete drafts of all such documents proposed to be filed (including all exhibits thereto and each document incorporated by reference therein to the extent then required by the rules and regulations of the SEC), which documents will be subject to the reasonable review and reasonable comment of such counsel (including any reasonable objections to any information pertaining to the Holders and their plan of distribution and otherwise to the extent necessary, if at all, to complete the filing or maintain the effectiveness thereof), and make the Company's representatives reasonably available for discussion of such document and make such changes in such document concerning the Holders prior to the filing thereof as counsel for the Holders or underwriters may reasonably request, and the Company shall consider in good faith the changes reasonably and timely requested by such counsel and shall not file any Registration Statement or amendment thereto, any Prospectus or supplement thereto or any Free Writing Prospectus related thereto to which the Holders or the underwriters, if any, shall reasonably and timely object); provided, that notwithstanding the foregoing, in no event shall the Company be required to file any document with the SEC that, in the reasonable view of the Company or its counsel, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make any statement therein not misleading;

(b) (i) prepare and file with the SEC such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith and such Free Writing Prospectuses and Exchange Act reports as may be necessary to keep such Registration Statement effective for the period specified in paragraph (a) above and comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by such Registration Statement and any Prospectus so supplemented to be filed pursuant to Rule 424 under the Securities Act in accordance with the Holders' intended method of disposition set forth in such Registration Statement for such period and (ii) provide reasonable notice to the Holders and the managing

underwriter(s), if any, to the extent that the Company determines that a post-effective amendment to a Registration Statement would be appropriate;

(c) furnish, without charge, to the Holders and each underwriter, if any, of the Registrable Securities such number of copies of such Registration Statement, each amendment and supplement thereto (in each case including all exhibits), the Prospectus, each Free Writing Prospectus utilized in connection therewith, in each case, in all material respects in conformity with the requirements of the Securities Act, and other documents, as the Holders and underwriter may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities owned by the Holders (the Company hereby consenting to the use in accordance with all applicable Laws of each such Registration Statement (or amendment or post-effective amendment thereto) and each such Prospectus or Free Writing Prospectus by the Holders and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such Registration Statement or Prospectus);

(d) register or qualify the Registrable Securities covered by such Registration Statement under the securities or "blue sky" Laws of such jurisdictions as the Holders or, in the case of a Public Offering, the managing underwriter reasonably shall request and do any and all other acts and things which may be reasonably necessary or advisable to enable the Holders to consummate the disposition in such jurisdictions of the Registrable Securities beneficially owned by them; *provided*, that the Company shall not for any such purpose be required to qualify generally to transact business as a foreign corporation in any jurisdiction where it is not so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;

(e) promptly notify the Holders and each managing underwriter, if any: (i) when the Registration Statement, any pre-effective amendment, the Prospectus or any Prospectus supplement related thereto, any post-effective amendment to the Registration Statement or any Free Writing Prospectus has been filed with the SEC and, with respect to the Registration Statement or any post-effective amendment, when the same has become effective; (ii) of any request by the SEC or state securities authority for amendments or supplements to the Registration Statement or the Prospectus related thereto or for additional information, including copies of any and all transmittal letters and other correspondence with the SEC and all correspondence (including comment letters and a copy of the Company's draft responses thereto), from the SEC to the Company relating to such Registration Statement or any Prospectus or any amendment or supplement thereto (but not, for the avoidance of doubt, any documents incorporated by reference therein); (iii) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose; or (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or state "blue sky" Laws of any jurisdiction or the initiation of any proceeding for such purpose;

(f) if at any time (i) any event or development shall occur or condition shall exist as a result of which the Disclosure Package, as then amended or supplemented,

would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Disclosure Package is delivered to a purchaser, not misleading, or (ii) it is necessary to amend or supplement the Disclosure Package to comply with Law, the Company will promptly notify the Holders and each managing underwriter, if any, and promptly prepare and file with the SEC (to the extent required) and furnish to the Holders and each underwriter, if any, such amendments or supplements to the Disclosure Package as may be necessary so that the statements in the Disclosure Package, as so amended or supplemented, will not, in the light of the circumstances existing when the Disclosure Package is delivered to a purchaser, be misleading, or so that the Disclosure Package will comply with Law;

(g) make generally available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months beginning with the first day of the Company's first full calendar quarter after the effective date of a Registration Statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158;

(h) (i) list the Registrable Securities covered by such Registration Statement on Nasdaq or any other national securities exchange selected by the Company, if the listing of such Registrable Securities is then permitted under the rules of such exchange and (ii) comply (and continue to comply) with the requirements of any self-regulatory organization applicable to the Company, including without limitation all corporate governance requirements;

(i) cause its officers, employees and registered independent public accounting firm (in the case of the registered independent public accounting firm, subject to any applicable accounting guidance regarding their participation in the offering or the due diligence process) to participate at reasonable times and for reasonable periods in, make themselves reasonably available, supply such information as may reasonably be requested and to otherwise facilitate and cooperate with, the preparation of the Registration Statement and Prospectus and any amendments or supplements thereto, taking into account the Company's reasonable business needs;

(j) provide and cause to be maintained a transfer agent and registrar for all such Registrable Securities covered by such Registration Statement not later than the applicable effective date of such Registration Statement and, in the case of any secondary equity offering, provide and enter into any reasonable agreements with a custodian for the Registrable Securities;

(k) if the offering is underwritten pursuant to a Demand Registration Request, then at the request of the Holders, (i) enter into such customary agreements (including underwriting agreements in customary form) and take all such other customary actions as the Holders reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (it being understood that the Holders of the Registrable Securities which are to be distributed by any underwriters shall be a party to any such underwriting agreement), (ii) have members of its management participate in due diligence sessions

and, in the case of marketed offerings, support the marketing of the Registrable Securities covered by the registration (including, without limitation, participation in investor calls and "road shows"), and (iii) furnish to the underwriters a customary legal opinion and disclosure letter from counsel to the Company and customary comfort letters from the registered independent public accounting firm retained (and brought down to the closing under the underwriting agreement);

(l) (i) obtain an opinion from the Company's counsel and a "comfort" letter and updates thereof from the independent public accountants who have certified the Company's financial statements (and/or any other financial statements) included or incorporated by reference in such Registration Statement, in each case, in customary form and covering such matters as are customarily covered by such opinions and "comfort" letters (including, in the case of such "comfort" letter, events subsequent to the date of such financial statements) delivered to underwriters in underwritten Public Offerings, which opinion and letter shall be dated as of the dates such opinions and "comfort" letters are customarily dated and otherwise reasonably satisfactory to the underwriters and (ii) furnish to each underwriter a copy of such opinion and letter addressed to such underwriter;

(m) deliver promptly to counsel for the Holders and to each managing underwriter, if any, copies of all correspondence between the SEC and the Company, its counsel or auditors and all memoranda relating to discussions with the SEC or its staff with respect to the Registration Statement, and, make reasonably available for inspection by counsel for the Holders, by counsel for any underwriter participating in any disposition to be effected pursuant to such Registration Statement and by any attorney, accountant or other agent retained by the Holders or any such underwriter, all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees to supply all information reasonably requested by any such counsel for the Holders, counsel for an underwriter, accountant or agent in connection with such Registration Statement;

(n) in connection with the preparation and filing of each Registration Statement registering Registrable Securities under the Securities Act, and before filing any such Registration Statement or any other document in connection therewith, include in such documents any comments reasonably and timely made by the Holders or their legal counsel; participate in, and make documents available for, the reasonable and customary due diligence review of underwriters during normal business hours, on reasonable advance notice and without undue burden or hardship on the Company;

(o) use commercially reasonable efforts to prevent the issuance of any stop order or other suspension of effectiveness of a Registration Statement, or the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction and, if such an order or suspension is issued, to use its commercially reasonable efforts to promptly obtain the withdrawal of such order or suspension and to notify the Holders of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose;

(p) comply with the Securities Act, the Exchange Act and any other applicable rules and regulations of the SEC and reasonably cooperate with the Holders in the disposition of its Registrable Securities in accordance with the method of distribution described in the Prospectus included in any Registration Statement, such cooperation to include the endorsement and transfer of any certificates representing Registrable Securities (or a book-entry transfer to similar effect) transferred in accordance with this Agreement and delivery of any necessary instructions or opinions to the Company's transfer agent in order to cause the transfer agent to allow Shares to be sold from time to time as permitted by Law;

(q) ensure that any Free Writing Prospectus utilized in connection with any registration covered by Section 2.1 or Section 2.2 complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby, will not conflict with a related Prospectus, Prospectus supplement and related documents and, when taken together with the related Prospectus, Prospectus supplement and related documents, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(r) cooperate with the managing underwriters, if any, the Holders and their respective counsel in connection with the preparation and filing of any applications, notices, registrations and responses to requests for additional information with FINRA, Nasdaq or any other national securities exchange on which the Shares are listed;

(s) pay the applicable Expenses;

(t) cooperate with the Holders and the managing underwriter, if any, to facilitate the timely preparation and delivery of book-entry shares or certificates not bearing any restrictive legends representing the Registrable Securities to be sold, and cause such Registrable Securities to be issued in such denominations and registered in such names in accordance with the underwriting agreement at least two (2) Business Days prior to any sale of Registrable Securities to the underwriters or, if not an underwritten offering, in accordance with the instructions of the Holders at least two (2) Business Days prior to any sale of Registrable Securities and instruct any transfer agent and registrar of Registrable Securities to release any stop transfer orders in respect thereof (and, in the case of Registrable Securities registered on a Shelf Registration Statement, at the request of the Holders, prepare and deliver book-entry shares or certificates representing such Registrable Securities not bearing any restrictive legends and deliver or cause to be delivered an opinion or instructions to the transfer agent in order to allow such Registrable Securities to be sold from time to time);

(u) cause the Registrable Securities covered by the applicable Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the Holders or the underwriters, if any, to consummate the disposition of such Registrable Securities; and

(v) take all such other commercially reasonable actions as are necessary or advisable in order to expedite or facilitate the disposition of such Registrable Securities.

To the extent the Company is a WKSI at the time any Demand Registration Request is submitted to the Company and such Demand Registration Request requests that the Company file an Automatic Shelf Registration Statement on Form S-3, the Company shall file an Automatic Shelf Registration Statement which covers those Registrable Securities which are requested to be registered in accordance with Section 2.1(e). The Company shall use its commercially reasonable efforts to remain a WKSI (and not become an ineligible issuer (as defined in Rule 405 under the Securities Act)) during the period during which such Automatic Shelf Registration Statement is required to remain effective.

If the Company does not pay the filing fee covering the Registrable Securities at the time the Automatic Shelf Registration Statement is filed, the Company agrees to pay such fee at such time or times as the Registrable Securities are to be sold. If the Automatic Shelf Registration Statement has been outstanding for at least three (3) years, at the end of the third year the Company shall refile a new Automatic Shelf Registration Statement covering the Registrable Securities to remain effective for a period ending on the earliest of (i) the date on which all Registrable Securities included in such registration have been sold or distributed pursuant to the Automatic Shelf Registration Statement, (ii) the date as of which there are no longer in existence any Registrable Securities covered by the Automatic Shelf Registration Statement and (iii) an earlier date agreed to in writing by the Company and the Holders. If at any time when the Company is required to re-evaluate its WKSI status the Company determines that it is not a WKSI, the Company shall use its commercially reasonable efforts to refile the shelf Registration Statement on Form S-3 and, if such form is not available, Form S-1 and keep such Registration Statement effective during the period during which such Registration Statement is required to be kept effective.

If the Company files any shelf Registration Statement for the benefit of the holders of any of its securities other than the Holders, and the Holders do not request that its Registrable Securities be included in such Shelf Registration Statement, the Company agrees that it shall include in such Registration Statement such disclosures as may be required by Rule 430B under the Securities Act (referring to the unnamed selling security holders in a generic manner by identifying the initial offering of the securities to the Holders) in order to ensure that the Holders may be added to such shelf Registration Statement at a later time through the filing of a Prospectus supplement rather than a post-effective amendment.

The Company may require as a condition precedent to the Company’s obligations under this Section 2.4 that each participating Holder as to which any registration is being effected furnish the Company such information regarding such seller and the distribution of such securities as the Company may from time to time reasonably request; *provided*, that such information is necessary for the Company to consummate such registration and shall be used only in connection with such registration.

The Holders agree that upon receipt of any notice from the Company of the happening of any event of the kind described in paragraph (f) of this Section 2.4, the Holders will discontinue the Holders' disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until the Holders' receipt of the copies of the supplemented or amended Prospectus contemplated by paragraph (f) of this Section 2.4 and, if so directed by the Company, will deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in the Holders' possession of the Prospectus covering such Registrable Securities that was in effect at the time of receipt of such notice. In the event the Company shall give any such notice, the applicable period mentioned in paragraph (a) of this Section 2.4 shall be extended by the number of days during such period from and including the date of the giving of such notice to and including the date when each participating holder covered by such Registration Statement shall have received the copies of the supplemented or amended Prospectus contemplated by paragraph (e) of this Section 2.4.

Section 2.5. Registration Expenses.

(a) The Company shall pay all Expenses with respect to any registration or offering of Registrable Securities pursuant to Article II, whether or not a Registration Statement becomes effective or the offering is consummated. Notwithstanding the foregoing, the Company shall not be required to pay for any Expenses of any registration begun pursuant to the terms of this Agreement if the Demand Registration request is subsequently withdrawn at the request of the Holders (in which case the Holders shall bear such expenses).

(b) Notwithstanding the foregoing, (x) the provisions of this Section 2.5 shall be deemed amended to the extent necessary to cause these expense provisions to comply with state "blue sky" laws of each state in which the offering is made and (y) in connection with any underwritten offering hereunder, the Holders shall pay all underwriting discounts and commissions and any transfer taxes, if any, attributable to the sale of such Registrable Securities, pro rata with respect to payments of discounts and commissions in accordance with the number of shares sold in the offering by the Holders.

Section 2.6. Certain Limitations on Registration Rights.

In the case of any registration under Section 2.1 involving an underwritten offering, or, in the case of a registration under Section 2.2, if the Company has determined to enter into an underwriting agreement in connection therewith, all securities to be included in such underwritten offering shall be subject to such underwriting agreement and no Person may participate in such underwritten offering unless such Person (i) agrees to sell such Person's securities on the basis provided therein and completes and executes all reasonable questionnaires, and other customary documents (including custody agreements and powers of attorney) which must be executed in connection therewith; provided, that all such documents shall be consistent with the provisions hereof and (ii) provides such other information to the Company or the underwriter as may be necessary to register such Person's securities.

Section 2.7. Limitations on Sale or Distribution of Other Securities; Coordination.

(a) The Holders agree, (i) to the extent requested in writing by a managing underwriter, if any, of any underwritten Public Offering pursuant to a registration or offering effected pursuant to Section 2.1 or 2.2 (except in the case of a Block Trade, unless the Holders have the option to participate in such Block Trade pursuant to this Agreement or otherwise), not to sell, transfer or otherwise dispose of, including any sale pursuant to Rule 144 under the Securities Act, any Common Stock, or any other equity security of the Company or any security convertible into or exchangeable or exercisable for any equity security of the Company (other than as part of such underwritten Public Offering) during the time period reasonably requested by the managing underwriter, not to exceed sixty (60) days or such shorter period as the managing underwriter shall agree to; provided, that such shorter period shall apply to the Holders (and the Company hereby also so agrees (except that the Company may effect any sale or distribution of any such securities pursuant to a registration on Form S-4 or Form S-8, or any successor or similar form); and (ii) to the extent requested in writing by a managing underwriter of any underwritten Public Offering effected by the Company for its own account (including without limitation any offering in which one or more holders is selling Common Stock pursuant to the exercise of piggyback rights under Section 2.2 hereof), it will not sell any Common Stock (other than as part of such underwritten Public Offering) during the time period reasonably requested by the managing underwriter, which period shall not exceed ninety (90) days or such shorter period as the managing underwriter shall agree to; provided, that such shorter period shall apply to the Holders.

(b) The Company hereby agrees that, to the extent requested in writing by a managing underwriter, if any, in connection with an offering pursuant to Sections 2.1 or 2.2, the Company shall not sell, transfer, or otherwise dispose of, any Common Stock, or any other equity security of the Company or any security convertible into or exchangeable or exercisable for any equity security of the Company (other than as part of such underwritten Public Offering, a registration on Form S-4 or Form S-8 or any successor or similar form), until a period of sixty (60) days (or such shorter period to which the underwriter shall agree) shall have elapsed from the pricing date of such offering; and the Company shall so provide in any registration rights agreements hereafter entered into with respect to any of its equity securities.

Section 2.8. Indemnification.

(a) Indemnification Rights.

(i) In the event of any registration or offer and sale of any securities of the Company under the Securities Act pursuant to this Article II, the Company will, and hereby agrees to, and hereby does, indemnify and hold harmless, to the fullest extent permitted by law, the Holders, their Affiliates and, as applicable, their respective directors, officers, employees, stockholders, members or general and limited partners in the offering or sale of such securities (and their respective directors, officers, employees, stockholders, members or general and limited

partners), underwriter or Qualified Independent Underwriter, if any, in the offering or sale of such securities, each officer, director, employee, stockholder, managing director, affiliate, representative, successor, assign or partner of such underwriter or Qualified Independent Underwriter, or any such underwriter or Qualified Independent Underwriter within the meaning of the Securities Act, from and against any and all losses, claims, damages or liabilities, joint or several, actions or proceedings (whether commenced or threatened) and expenses (including reasonable fees of counsel and any amounts paid in any settlement effected with the Company's consent, which consent shall not be unreasonably withheld or delayed) to which each such indemnified party may become subject under the Securities Act or otherwise in respect thereof (collectively, "**Claims**"), insofar as such Claims arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement under which such securities were registered under the Securities Act or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary, final or summary Prospectus or any amendment or supplement thereto, together with the documents incorporated by reference therein, or any Free Writing Prospectus utilized in connection therewith, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (iii) any violation by the Company of any federal, state or common law rule or regulation applicable to the Company and relating to action required of or inaction by the Company in connection with any such registration, and the Company will reimburse any such indemnified party for any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such Claim as such expenses are incurred; provided, that the Company shall not be liable to any such indemnified party in any such case to the extent such Claim arises out of or is based upon any untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact made in such Registration Statement or amendment thereof or supplement thereto or in any such Prospectus or any preliminary, final or summary Prospectus or Free Writing Prospectus in reliance upon and in strict conformity with written information furnished to the Company by or on behalf of such indemnified party specifically for use therein. Such indemnity and reimbursement of expenses shall remain in full force and effect regardless of any investigation made by or on behalf of such indemnified party and shall survive the transfer of such securities by the Holders.

(ii) The Holders shall indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 2.8(a)(i)) to the extent permitted by law, the Company, its officers and directors, and each Person controlling the Company within the meaning of the Securities Act with respect to any untrue statement or alleged untrue statement of any material fact in, or omission or alleged omission of any material fact from, such Registration Statement, any preliminary, final or summary Prospectus contained therein, or

any amendment or supplement thereto, or any Free Writing Prospectus utilized in connection therewith, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in strict conformity with written information furnished to the Company or its representatives by or on behalf of the Holders, specifically for use therein, and the Holders shall reimburse such indemnified party for any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such Claim as such expenses are incurred; *provided*, that the aggregate amount which the Holders shall be required to pay pursuant to this Section 2.8 (including pursuant to indemnity, contribution or otherwise) shall in no case be greater than the amount of the net proceeds received by the Holders upon the sale of the Registrable Securities pursuant to the Registration Statement giving rise to such Claim; provided, further, that such Holders shall not be liable in any such case to the extent that prior to the filing of any such Registration Statement or Prospectus or amendment thereof or supplement thereto, or any Free Writing Prospectus utilized in connection therewith, such Holders have furnished in writing to the Company information expressly for use in such Registration Statement or Prospectus or any amendment thereof or supplement thereto or Free Writing Prospectus which corrected or made not misleading information previously furnished to the Company.

(iii) Indemnification similar to that specified in Section 2.8(a)(i) and 2.8(a)(ii) (with appropriate modifications) shall be given by the Company and the Holders with respect to any required registration or other qualification of securities under any applicable securities and state “blue sky” laws.

(iv) If for any reason the foregoing indemnity is unavailable, unenforceable or is insufficient to hold harmless an indemnified party under Sections 2.8(a)(i), 2.8(a)(ii) or 2.8(a)(iii), then each applicable indemnifying party shall contribute to the amount paid or payable to such indemnified party as a result of any Claim in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and the indemnified party, on the other hand, with respect to such Claim. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or the indemnified party and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. If, however, the allocation provided in the second preceding sentence is not permitted by applicable Law, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative faults but also the relative benefits of the indemnifying party and the indemnified party as well as any other relevant equitable considerations. The parties hereto agree that it would not be just and equitable if any contribution pursuant to this Section 2.8(a)(iv) were to be determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the preceding

sentences of this Section 2.8(a)(iv). The amount paid or payable in respect of any Claim shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such Claim. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Notwithstanding anything in this Section 2.8(a)(iv) to the contrary, no indemnifying party (other than the Company) shall be required pursuant to this Section 2.8(a)(iv) to contribute any amount greater than the amount of the net proceeds received by such indemnifying party from the sale of Registrable Securities pursuant to the Registration Statement giving rise to such Claim, less the amount of any indemnification payment made by such indemnifying party pursuant to Sections 2.8(a)(ii) and 2.8(a)(iii). In addition, neither the Holders nor any Affiliate thereof shall be required to pay any amount under this Section 2.8(a)(iv) unless such Person or entity would have been required to pay an amount pursuant to Section 2.8(a)(ii) if it had been applicable in accordance with its terms.

(v) The indemnity and contribution agreements contained herein shall be in addition to any other rights to indemnification or contribution which any indemnified party may have pursuant to law or contract and shall remain operative and in full force and effect regardless of any investigation made or omitted by or on behalf of any indemnified party and shall survive the transfer of the Registrable Securities by any such party.

(vi) The indemnification and contribution required by this Section 2.8 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred; provided, that the recipient thereof hereby undertakes to repay such payments if and to the extent it shall be determined by a court of competent jurisdiction that such recipient is not entitled to such payment hereunder.

(b) Notice of Claim; Defense of Claims.

(i) Any Person entitled to indemnification under this Agreement shall notify promptly the indemnifying party in writing of the commencement of any action or proceeding with respect to which a Claim may be made pursuant to this Section 2.8, but the failure of any indemnified party to provide such notice shall not relieve the indemnifying party of its obligations under the preceding paragraphs of this Section 2.8, except to the extent the indemnifying party is materially and actually prejudiced thereby and shall not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than under this Article II.

(ii) In case any action or proceeding is brought against an indemnified party and such indemnified party shall have notified the indemnifying party of the commencement thereof (as required above), the indemnifying party shall be

entitled to participate therein and, unless in the reasonable opinion of outside counsel to the indemnified party a conflict of interest between such indemnified and indemnifying parties may exist in respect of such Claim, to assume the defense thereof jointly with any other indemnifying party similarly notified, to the extent that it chooses, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party that it so chooses, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; *provided*, that (i) if the indemnifying party fails to take reasonable steps necessary to defend diligently the action or proceeding within twenty (20) days after receiving notice from such indemnified party that the indemnified party believes it has failed to do so; (ii) if such indemnified party who is a defendant in any action or proceeding which is also brought against the indemnifying party reasonably shall have concluded that there may be one or more legal or equitable defenses available to such indemnified party which are not available to the indemnifying party or which may conflict with those available to another indemnified party with respect to such Claim; or (iii) if representation of both parties by the same counsel is otherwise inappropriate under applicable standards of professional conduct, then, in any such case, the indemnified party shall have the right to assume or continue its own defense as set forth above (but with no more than one firm of counsel for all indemnified parties in each jurisdiction, except to the extent any indemnified party or parties reasonably shall have made a conclusion described in clause (ii) or (iii) above) and the indemnifying party shall be liable for any expenses therefor. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (A) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (B) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

Section 2.9. Free Writing Prospectuses. Other than a Prospectus relating to Registrable Securities included in a Registration Statement, an "issuer free writing prospectus" (as defined in Rule 433 under the Securities Act) prepared by the Company or other materials prepared by Company, the Holders represent and agree that they (a) will not make any offer relating to the Registrable Securities that would constitute an issuer free writing prospectus or that would otherwise constitute a Free Writing Prospectus, and (b) will not distribute any written materials in connection with the offer or sale pursuant to a Registration Statement of Registrable Securities, in each case, without the prior written consent of the Company and, in connection with any Public Offering, the underwriters.

Section 2.10. Information from and Obligations of the Holders. The Company and the Holders hereby acknowledge and agree that, unless otherwise expressly agreed to in writing by the Holders, for all purposes of this Agreement, the only information furnished or to be furnished to the Company by the Holders for use in any such Registration Statement, Prospectus, or any Free Writing Prospectus, are statements specifically relating to (i) the beneficial ownership of Shares by the Holders and their Affiliates and (ii) the name and address of the Holders and all information required to be disclosed in order to make such information not contain a material misstatement of fact or necessary to cause such Registration Statement or Prospectus not to omit a material fact with respect to the Holders necessary in order to make the statements therein not misleading.

Section 2.11. Rule 144. With a view to making available the benefits of certain rules and regulations of the SEC that may permit the resale of the Registrable Securities without registration, the Company agrees to use its commercially reasonable efforts to:

(a) make and keep public information regarding the Company available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times during the term hereof;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at all times from and after the date hereof; and

(c) so long as a Holder owns any Registrable Securities, furnish (i) to the extent accurate, forthwith upon request, a written statement of the Company that it has complied with the reporting requirements of Rule 144 under the Securities Act and (ii) unless otherwise available via the SEC's EDGAR filing system, to such Holder forthwith upon request a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed as such Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing such Holder to sell any such securities without registration.

Section 2.12. Assistance with Transfers. In connection with any sale or transfer of Registrable Securities by any Holder, including any sale or transfer pursuant to Rule 144 and other rules and regulations of the SEC that may at any time permit a Holder of Registrable Securities to sell securities of the Company to the public without registration, the Company shall, to the extent allowed by law, take any and all action necessary or reasonably requested by such Holder in order to permit or facilitate such sale or transfer, including, without limitation, at the sole expense of the Company, by (i) issuing such directions to any transfer agent, registrar or depositary, as applicable, (ii) delivering such opinions to the transfer agent, registrar or depositary as are customary for the transaction of this type and are reasonably requested by the same, and (iii) taking or causing to be taken such other actions as are reasonably necessary (in each case on a timely basis) in order to cause any legends, notations or similar designations restricting transferability of the Registrable Securities held by such Holder to be removed and to rescind any transfer restrictions with respect to such Registrable Securities; provided, however, that such

Holder shall deliver to the Company, in form and substance reasonably satisfactory to the Company, representation letters regarding such Holder's compliance with such rules and regulations, as may be applicable. In addition, the Company, at its sole expense, shall use commercially reasonable efforts to remove any restrictive legend on any shares of Common Stock that are Registrable Securities upon request by the Holder if (A) such shares of Common Stock are sold pursuant to an effective registration statement or (B) a registration statement covering the resale of such shares of common Stock is effective under the Securities Act and the applicable Holder delivers to the Company a representation letter agreeing that such shares of Common Stock will be sold under such effective registration statement. Furthermore, at the request of any Holder, the Company shall use its commercially reasonable efforts to assist such Holder with respect to any potential private transfer of any Common Stock held by such Holder and its Affiliates, including (i) entering into customary confidentiality agreements with any prospective transferees, (ii) affording to such Holder, its Affiliates and any prospective transferees and their respective counsel, accountants, lenders and other representatives, reasonable access during normal business hours to the properties, books, contracts and records of the Company and (iii) providing reasonable availability of appropriate members of senior management of the Company to provide customary due diligence assistance in connection with any such transfer; provided, however, that any such investigation shall be conducted in such a manner as not to interfere unreasonably with the Company's business and operations and the Company may in its sole discretion restrict access to competitively sensitive or legally privileged documents or information.

ARTICLE III
MISCELLANEOUS

Section 3.1. Termination. This Agreement shall terminate when the Holders collectively beneficially own less than 5% of the then-outstanding Common Stock; *provided*, *however*, that Section 2.7 and Section 2.8 shall survive any termination hereof.

Section 3.2. Severability. If any provision of this Agreement shall be determined to be illegal and unenforceable by any court of law, the remaining provisions shall be severable and enforceable in accordance with their terms.

Section 3.3. Remedies. In the event of actual or potential breach by the Company or any Holder of any of its obligations under this Agreement, each Holder or the Company, as applicable, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement without the need to post any bond. The Company and each Holder agrees that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

Section 3.4. Governing Law; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws that would direct the application of the laws of another jurisdiction.

(b) THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY PARTY AGAINST ANOTHER IN ANY MATTER WHATSOEVER ARISING OUT OF OR IN RELATION TO OR IN CONNECTION WITH THIS AGREEMENT. FURTHER, NOTHING HEREIN SHALL DIVEST A COURT OF COMPETENT JURISDICTION OF THE RIGHT AND POWER TO GRANT A TEMPORARY RESTRAINING ORDER, TO GRANT TEMPORARY INJUNCTIVE RELIEF, OR TO COMPEL SPECIFIC PERFORMANCE OF ANY DECISION OF AN ARBITRAL TRIBUNAL MADE PURSUANT TO THIS PROVISION.

Section 3.5. Adjustments Affecting Registrable Securities. The provisions of this Agreement shall apply to any and all shares of capital stock of the Company or any successor or assignee of the Company (whether by merger, consolidation, sale of assets or otherwise) that may be issued in respect of, in exchange for or in substitution for the Registrable Securities, by reason of any dividend, split, reverse split, combination, recapitalization, reclassification, merger, consolidation or otherwise in such a manner and with such appropriate adjustments as to reflect the intent and meaning of the provisions hereof and so that the rights, privileges, duties and obligations hereunder shall continue with respect to the capital stock of the Company as so changed as well as the capital stock of any other entity received in connection with such transaction.

Section 3.6. Binding Effects; Benefits of Agreement. This Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns and each Holder and its successors and assigns. For the avoidance of doubt, each Holder, to the extent not a direct party to this Agreement, shall be a third party beneficiary of this Agreement. The rights to cause the Company to register Registrable Securities under this Agreement may be transferred or assigned by each Holder to one or more transferees or assignees of Registrable Securities and such transferee delivers to the Company a duly executed joinder to this Agreement in form and substance reasonably satisfactory to the Company. The Company shall not be permitted to assign this Agreement without the prior written consent of ADS other than by operation of law in connection with a merger or a similar transaction contemplated by, and subject to, Section 3.5.

Section 3.7. Notices. All notices or other communications that are required or permitted hereunder shall be in writing and shall be deemed to have been given if (a) personally delivered, (b) sent by nationally recognized overnight courier, (c) sent by registered or certified mail, postage prepaid, return receipt requested or (d) email, addressed as follows:

if to the Company:

Loyalty Ventures Inc.
7500 Dallas Parkway, Suite 700

Plano, Texas 75024
Attention: General Counsel
Email: generalcounsel@loyalty.com
investorrelations@loyalty.com

if to the Holders:

Alliance Data Systems Corporation
7500 Dallas Parkway, Suite 700
Plano, Texas 75024
Attention: General Counsel
Email: generalcounsel@alliancedata.com
investorrelations@alliancedata.com

or to such other address as the party to whom notice is to be given may have furnished to such other party in writing in accordance herewith. Any such communication shall be deemed to have been received (i) when delivered, if personally delivered, (ii) on the date sent if delivered by e-mail on a Business Day, or if not sent on a Business Day, on the first Business Day thereafter, (iii) the next Business Day after delivery, if sent by nationally recognized overnight courier, and (iv) on the fifth (5th) Business Day following the date on which the piece of mail containing such communication is posted, if sent by first-class mail.

Section 3.8. Modification; Waiver. This Agreement may be amended, modified or supplemented only by a written instrument duly executed by the Company and ADS. No course of dealing between the Company and the Holders (or any of them) or any delay in exercising any rights hereunder will operate as a waiver of any rights of any party to this Agreement. The failure of any party to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms. Any determination, consent or approval of, or notice or request delivered by, or any similar action of, the Holders pursuant to this Agreement shall be made or given by ADS and shall be valid and binding upon all Holders to the same extent as if made or given directly by such Holders.

Section 3.9. Entire Agreement. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith.

Section 3.10. Counterparts. This Agreement may be executed in any number of counterparts, and each such counterpart shall be deemed to be an original instrument, but all such counterparts taken together shall constitute but one agreement.

[*Signature page follows*]

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement, or caused the same to be executed by its duly authorized representative as of the date first above written.

ALLIANCE DATA SYSTEMS CORPORATION

By: /s/ Ralph J. Andretta
Name: Ralph J. Andretta
Title: President and Chief Executive Officer

LOYALTY VENTURES INC.

By: /s/ Charles L. Horn
Name: Charles L. Horn
Title: President and Chief Executive Officer

[*Signature Page to Registration Rights Agreement*]

Exhibit 99.1

Alliance Data Completes Spinoff of LoyaltyOne Segment

COLUMBUS, Ohio, November 8, 2021 – Alliance Data Systems Corporation (NYSE: ADS), a leading provider of tech-forward payment and lending solutions, today announced that it has completed the previously announced separation of its LoyaltyOne segment, consisting of the Canadian AIR MILES® Reward Program and Netherlands-based BrandLoyalty businesses, into an independent, publicly traded company, Loyalty Ventures Inc. Loyalty Ventures common stock will begin regular-way trading today on Nasdaq under the ticker symbol "LYLT."

"The completion of our LoyaltyOne segment spinoff is an important milestone in our Company's history as it represents the achievement of our stated goals to simplify our business model and narrative, and focus on assets with the highest growth potential," said Ralph Andretta, president and chief executive officer, Alliance Data. "Loyalty Ventures has a solid management team and business strategy in place, and as both businesses move forward independently, I am confident that each is well positioned for future success. The completion of this transaction enables us to provide greater value to all our stakeholders with a streamlined focus on and investment in the continued transformation of Card Services. I am excited about this defining moment as Alliance Data moves forward as an evolved, tech-forward payment and lending solutions business poised to deliver sustainable, profitable growth."

The separation was achieved through the pro rata distribution after the market close on November 5, 2021 of 81% of the outstanding shares of Loyalty Ventures to holders of Alliance Data common stock, with Alliance Data stockholders receiving one share of Loyalty Ventures common stock for every two and one-half shares of Alliance Data common stock held at the close of business on the record date of October 27, 2021. Alliance Data stockholders entitled to receive the distribution received a book-entry account statement or a credit to their brokerage account reflecting their ownership of Loyalty Ventures common stock. Fractional shares of Loyalty Ventures common stock were not distributed. Any fractional share of Loyalty Ventures common stock otherwise issuable to an Alliance Data stockholder will be sold in the open market on such stockholder's behalf, and such stockholder will receive a cash payment for the fractional share based on its pro rata portion of the net cash proceeds from all sales of fractional shares. Alliance Data will retain 19% of the outstanding shares of Loyalty Ventures common stock, which Alliance Data intends to divest in a tax-efficient manner.

Morgan Stanley is serving as financial advisor and Davis Polk & Wardwell LLP is serving as legal counsel to Alliance Data in connection with the distribution.

About Alliance Data

Alliance Data ® (NYSE: ADS) is a leading provider of tech-forward payment and lending solutions, serving customers and consumer-based industries in North America. Through omnichannel touch points and a comprehensive product suite that includes credit products and Bread® digital payment solutions, Alliance Data helps its partners drive loyalty and growth, while giving customers greater payment choices. Through its Comenity-branded financial services, it also offers credit and savings products to consumers.

Headquartered in Columbus, Ohio, Alliance Data is an S&P MidCap 400 company that employs approximately 6,000 associates worldwide. In November 2021, Alliance Data completed the spinoff of its LoyaltyOne segment, which included the Canadian AIR MILES® Reward Program, and Netherlands-based BrandLoyalty. The company is now known as Loyalty Ventures Inc. (Nasdaq: LYLT).

More information about Alliance Data can be found at AllianceData.com. Follow Alliance Data on Twitter, Facebook, LinkedIn, Instagram and YouTube.

Caution Regarding Forward-Looking Statements

This release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements give our expectations or forecasts of future events and can generally be identified by the use of words such as “believe,” “expect,” “anticipate,” “estimate,” “intend,” “project,” “plan,” “likely,” “may,” “should” or other words or phrases of similar import. Similarly, statements that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. Examples of forward-looking statements include, but are not limited to, statements we make regarding initiation or completion of strategic initiatives including the spinoff of our LoyaltyOne segment that is the subject of this release, our expected operating results, future economic conditions including currency exchange rates, future dividend declarations and the guidance we give with respect to our anticipated financial performance. We believe that our expectations are based on reasonable assumptions. Forward-looking statements, however, are subject to a number of risks and uncertainties that could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this release, and no assurances can be given that our expectations will prove to have been correct. These risks and uncertainties include, but are not limited to, the following:

- the spinoff may not be tax-free for U.S. federal income tax purposes;
- disruption to our business from the spinoff or a loss of synergies from separating the businesses that could negatively impact the balance sheet, profit margins or earnings of both businesses or that the companies resulting from the spinoff do not realize all of the expected benefits of the spinoff;
- the combined value of the common stock of the two publicly-traded companies will not be equal to or greater than the value of our common stock had the spinoff not occurred;
- continuing impacts related to COVID-19, including government economic stimulus, relief measures for impacted borrowers and depositors, labor shortages, reduction in demand from clients, and supply chain disruption;
- loss of, or reduction in demand for services from, significant clients;
- increases in fraudulent activity, net charge-offs in credit card and loan receivables or increases or volatility in the allowance for loan loss that may result from the application of the current expected credit loss model;
- failure to identify, complete or successfully integrate or disaggregate business acquisitions or divestitures, including the spinoff discussed in this release;
- continued financial responsibility with respect to a divested business, including required equity ownership, guarantees, indemnities or other financial obligations;

- increases in the cost of doing business, including market interest rates;
- inability to access financial or capital markets, including asset-backed securitization funding or deposits markets;
- limitations on consumer credit, loyalty or marketing services from new legislative or regulatory actions related to consumer protection and consumer privacy;
- increases in Federal Deposit Insurance Corporation, Delaware or Utah regulatory capital requirements or other support for our banks;
- failure to maintain exemption from regulation under the Bank Holding Company Act;
- loss or disruption, due to cyber attack or other service failures, of data center operations or capacity;
- loss of consumer information due to compromised physical or cyber security; and
- those factors set forth in the Risk Factors section in our Annual Report on Form 10-K for the most recently ended fiscal year, which may be updated in Item 1A of, or elsewhere in, our Quarterly Reports on Form 10-Q filed for periods subsequent to such Form 10-K, as well as those factors discussed in Loyalty Ventures' Registration Statement on Form 10 filed with the SEC.

If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we projected. Further risks and uncertainties include, but are not limited to, the impact of strategic initiatives on us or our business if any transactions are undertaken, and whether the anticipated benefits of such transactions can be realized.

Any forward-looking statements contained in this release speak only as of the date made, and we undertake no obligation, other than as required by applicable law, to update or revise any forward-looking statements, whether as a result of new information, subsequent events, anticipated or unanticipated circumstances or otherwise.

Contacts:

Investor Relations: Brian Vereb (brian.vereb@alliancedata.com), 614-528-4516

Media Relations: Shelley Whiddon (shelley.whiddon@alliancedata.com), 214-494-3811