# Thirteenth Report of KSV Restructuring Inc. as CCAA Monitor of LoyaltyOne, Co.

December 19, 2025

# Contents



# Appendices

**Court File No.: CV-23-00696017-00CL**

**ONTARIO**
**SUPERIOR COURT OF JUSTICE**
**(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LOYALTYONE, CO.**

**THIRTEENTH REPORT OF KSV RESTRUCTURING INC.**

**December 19, 2025**

# 1.0 Introduction

1. Pursuant to an order issued by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on March 10, 2023, LoyaltyOne, Co. (the "**Applicant**") was granted protection under the *Companies' Creditors Arrangement Act,* R.S.C. 1985, c. C-36*,* as amended, and KSV Restructuring Inc. was appointed monitor of the Applicant (in such capacity, the "**Monitor**"). The Initial Order also extended the CCAA stay and certain other relief to LoyaltyOne Travel Services Co./Cie Des Voyages LoyaltyOne ("**Travel Services**"), a non-applicant subsidiary of the Applicant. At a comeback hearing on March 20, 2023, the Court issued an Amended and Restated Initial Order.

2. Also on March 10, 2023, the Applicant's ultimate parent company, Loyalty Ventures Inc. ("**LVI**"), and three affiliated entities[1] (collectively, the "**US Debtors**"), filed voluntary petitions to commence proceedings (the "**US Proceedings**") under Chapter 11 of Title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the Southern District of Texas (the "**US Court**"). The Applicant is not a debtor in the US Proceedings.

3. The principal purpose of this proceeding (this "**CCAA Proceeding**") was to create a stabilized environment in which the Applicant could:

   a) continue to operate in the ordinary course with the breathing space afforded by filing for protection under the CCAA, including to continue to operate the AIR MILES® Reward Program and to honour redemptions by the collectors of AIR MILES® reward miles in the normal course;

[1] The affiliated Chapter 11 debtor entities are LVI Sky Oak LLC, LVI Lux Holdings S.à r.l. and Rhombus Investments L.P.

b) secure debtor-in-possession ("**DIP**") financing from Bank of Montreal ("**BMO**") to fund the Applicant's ongoing business and this CCAA Proceeding pursuant to a US$70 million DIP loan facility (the "**DIP Facility**"); and

c) identify and complete a going-concern sale transaction pursuant to a Court supervised sale and investment solicitation process ("**SISP**"). In this regard, the Applicant entered into an asset purchase agreement with BMO, the Applicant's largest customer partner, which provided for a purchase price of US$160 million, subject to certain adjustments, plus the assumption of certain liabilities, to be used as a "stalking horse" bid in the SISP (as amended, the "**Stalking Horse APA**").

4. On March 17, 2023, in connection with the US Proceedings, the US Debtors filed a Combined Disclosure Statement and Joint Chapter 11 Plan of Reorganization pursuant to Chapter 11 of the Bankruptcy Code (as applicable, the "**Combined DS and Plan**" or the "**LVI Chapter 11 Plan**"). Among other things, the LVI Chapter 11 Plan provides for the establishment of a liquidating trust (the "**LVI Liquidating Trust**") to pursue recoveries on behalf of the US Debtors' stakeholders.

5. On April 27, 2023, the Combined DS and Plan was approved and confirmed by the US Court. On May 1, 2023, the Court issued an order granting certain relief sought by the Applicant in connection with the LVI Chapter 11 Plan, which relief was a condition precedent to the LVI Chapter 11 Plan becoming effective. The LVI Chapter 11 Plan became effective on June 2, 2023.

6. At a hearing on May 12, 2023, the Court issued:

a) an Approval and Vesting Order (the "**AVO**"), among other things:

- approving the transaction with BMO contemplated by the Stalking Horse APA (the "**Transaction**");

- following the Monitor's delivery of the Monitor's certificate substantially in the form attached as Schedule "A" to the AVO (the "**Monitor's Certificate**"), transferring and vesting all of the Applicant's right, title and interest in and to all of the issued and outstanding shares in the capital of Travel Services to an affiliate of BMO, and all of the Applicant's right, title and interest in and to the balance of the Purchased Assets (as defined in the Stalking Horse APA) in another BMO affiliate, in each case free and clear from any encumbrances, except for certain permitted encumbrances;

- concurrent with or immediately following delivery of the Monitor's Certificate, directing the Applicant to repay in full all obligations owing under the DIP Facility and discharging the corresponding DIP Lender's Charge (as defined in the ARIO);

- concurrent with or immediately following delivery of the Monitor's Certificate, directing the Applicant to pay in full certain transaction fees owing to PJT Partners LP, the Applicant's financial advisor, and discharging the corresponding Financial Advisor Charge (as defined in the ARIO);

b) an Assignment Order, which, among other things, following delivery of the Monitor's Certificate, assigned all of the Applicant's rights and obligations in respect of certain contracts to BMO; and

c) an Ancillary Relief Order that, among other things:

- following delivery of the Monitor's Certificate, all of the then existing directors and officers of the Applicant (other than certain officers of the Applicant who remained employed by the Applicant upon closing) were deemed to resign and the Monitor was authorized and empowered to exercise any powers which may be properly exercised by a board of directors or any officers of the Applicant;

- removed Travel Services from the purview of the CCAA Proceeding (in light of the sale of its shares pursuant to the Transaction); and

- extended the stay of proceedings to July 14, 2023.

7. The Transaction closed on June 1, 2023.

8. On July 5, 2023, the Court issued a Stay Extension and Distribution Order (the "**Stay Extension and Distribution Order**") that, among other things, (i) approved the distribution of a portion of the proceeds from the Transaction and other cash held by the Applicant (or held by the Monitor on behalf of the Applicant) to Bank of America N.A., as administrative agent (the "**Credit Facility Agent**") under the credit agreement dated as of November 3, 2021, amongst LVI, Brand Loyalty Group B.V., Brand Loyalty Holding B.V. and Brand Loyalty International B.V., a group of lenders (collectively, the "**Credit Agreement Lenders**") and the Credit Facility Agent under which the Applicant is a guarantor, and (ii) extended the stay of proceedings to June 28, 2024.

9. Subsequent stay extension orders have been granted from time to time, most recently extending the stay to May 30, 2026.

10. Since the closing of the Transaction, the focus of this CCAA Proceeding has been to realize on the Applicant's remaining assets, including advancing and resolving the Tax Appeal (as defined below), recovery of tax refunds from the Canada Revenue Agency ("**CRA**") and various other taxation authorities, and attempting to resolve certain disputes with Bread Financial Holdings, Inc. ("**Bread**"), the Applicant's former indirect parent company, including regarding the Tax Matters Agreement between Alliance Data Systems Corporation (now known as Bread) and Loyalty Ventures Inc. dated November 5, 2021 ("**TMA**").

11. The Monitor understands that since the implementation of the LVI Chapter 11 Plan, the focus of the US Proceedings has been the advancement of certain claims commenced by the trustee of the LVI Liquidating Trust before the US Court against Bread and certain related parties, including seeking a determination by the US Court that the TMA is void (the "**US Adversary Proceeding**").[2]

12. All Court materials filed in this CCAA Proceeding, including the Monitor's reports, are available on the Monitor's website at the following link: https://www.ksvadvisory.com/experience/case/loyaltyone.

13. All US Court materials filed in the US Proceedings are available at the following link: https://cases.ra.kroll.com/LVI/Home-Index.

### 1.1 Purposes of this Report

1. The purpose of this Thirteenth Report of the Monitor ("**Report**") is to: (i) report on the Monitor's calculation of the Expense Deductions (as defined below) pursuant to the CRA Tax Matters Resolution Order (as defined below); and (ii) provide information in respect of the Applicant's estimated unsecured creditor pool.

### 1.2 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

## 2.0 Expense Deductions

### 2.1 CRA Tax Matters Resolution Order and the TMA Motions

1. On October 17, 2025, the Court granted an Order (CRA Tax Matters Resolution) (the "**CRA Tax Matters Resolution Order**") that, among other things, authorized the Applicant to accept the CRA Tax Matters Resolution (as defined therein).

2. The CRA Tax Matters Resolution provided for, among other things, CRA promptly issuing a payment to the Applicant of $79,128,082.90, being the full CRA Refund (as defined below) together with additional interest and adjustments calculated through September 4, 2025, net of approximately 5% of the CRA Refund amount, which was set off against a portion of the balance owing in respect of the corporate income tax assessment from CRA dated December 15, 2023, reflecting a balance owing of $72,769,840.82 for the period from January 1, 2023 to June 1, 2023 (the "**2023 CRA Assessed Taxes**"), plus accrued interest through the date of payment (the "**CRA Tax Payment**").

[2] The US Adversary Proceeding is captioned *Pirinate Consulting Group, LLC v. Bread Financial Holdings Inc. et al*, Adv. Pro. No. 24-03027 (Bankr. S.D. Tex.).

3. The Monitor received the CRA Tax Payment, in the amount of $84,738,793.69, on December 3, 2025, and deposited it into a segregated account (the "**CRA Tax Payment Account**"). The Monitor has been advised by CRA that the entire amount received relates to the CRA Tax Payment; however, the Monitor is awaiting a reconciliation from CRA.

4. Entitlements to the CRA Tax Payment have not yet been agreed or determined.

5. On June 13 and 14, 2024, this Court heard motions brought by the Applicant, the Monitor and Bread pertaining to the TMA (the "**TMA Motions**"). On July 10, 2024, this Court made an endorsement in respect of the TMA Motions in which the Court, among other things:

   a) determined that the Applicant is a party to the TMA and that a disclaimer of the TMA was not permitted; and

   b) did not grant Bread's request for a constructive trust or propriety claim over the proceeds (if any) received by the Applicant in connection with the Tax Appeal and found that it was premature to address Bread's request for an order directing the Applicant to comply with the TMA.

6. The Applicant takes the position it does not have to perform the TMA in the circumstances of the CCAA Proceeding and that, at most, Bread has an unsecured claim in relation to any breach of the TMA by the Applicant. The Monitor understands Bread takes the position the Applicant is obligated to perform the TMA and/or that Bread has a proprietary/trust entitlement to the CRA Tax Payment.

7. A hearing is scheduled before this Court on March 5 and 6, 2026, to address (i) the Credit Agreement Lenders' motion for a stay of further steps in the TMA Motions (including adjudication of entitlements to the CRA Tax Payment) in light of the issues on the TMA being adjudicated in the pending US Adversary Proceeding (the "**Lenders' Threshold Motion**") and (ii) entitlements to the CRA Tax Payment.

## 2.2 The TMA

1. Any entitlement of Bread pursuant to the TMA would be limited to the CRA Tax Payment net of the expense deductions contemplated by the TMA (the "**Expense Deductions**") in respect of the CRA Tax Payment.

2. The TMA, a copy of which is attached as Appendix "A", provides that:

   Section 8. Tax Refunds.

   […]

   (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[3], 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) […] [emphasis added]

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. [emphasis added]

3. In light of the foregoing, without prejudice to the parties' positions on the TMA Motions, the CRA Tax Matters Resolution Order contemplates that the Monitor will:

   a) deposit the CRA Tax Payment into the CRA Tax Payment Account;

   b) calculate the amount of the Expense Deductions and set out its calculation in a Report to be served on the service list in this CCAA Proceeding; and

   c) thereafter, transfer an amount equal to the Expense Deductions and deposit such amount in the Applicant's general bank account whereupon it shall form part of the Applicant's cash on hand (to reimburse the Applicant for the relevant expenses it has incurred in connection with obtaining the CRA Tax Payment), unless an objection to the amount of the Expense Deductions is received by the Monitor and the Applicant from an interested party within thirty (30) days of the issuance of the Expense Deductions Report, in which case the matter shall be promptly resolved by the Applicant, the Monitor and the relevant interested party(ies) or referred to this Court by the Monitor for resolution.

## 2.3 Overview of Expense Deductions

1. The CRA Tax Matters Resolution and recovery of the CRA Tax Payment were the result of intensive efforts over several years by the Applicant, the Monitor and their respective professional advisors, including Osler, Hoskin & Harcourt LLP ("**Osler**") (the Applicant's Tax Appeal counsel), Deloitte LLP ("**Deloitte**") (the Applicant's tax advisor); Cassels Brock & Blackwell LLP ("**Cassels**") (the Applicant's counsel); and Goodmans LLP ("**Goodmans**") (Monitor's counsel). These efforts (in the case of the Applicant) date back to 2020 and include significant litigation preparation for the Tax Appeal as well as significant negotiations to settle the Tax Appeal (the

[3] Being November 5, 2021.

"**Tax Appeal Settlement**"), obtain both Tax Court and this Court's approval of same, and subsequently considering the Applicant's tax position and negotiating and concluding the CRA Tax Matters Resolution and obtaining this Court's approval of same. The result of these efforts is that the Applicant has recovered nearly the entirety of the CRA Refund, plus interest, which is a significant achievement for the Applicant and its stakeholders.

2. In preparing this Report, the Monitor considered the types of potential Expense Deductions (comprised entirely of professional fees and related expenses), engaged in discussions with each of Osler, Deloitte, Cassels and Goodmans (collectively, including the Monitor, the "**Advisors**") regarding the work they undertook, reviewed, compiled and tabulated relevant invoices and also reviewed its own fees. Each of the Advisors performed discrete functions which assisted in obtaining the CRA Tax Payment and there was no duplication of work.

3. The Expense Deductions relate to three independent but related workstreams[4], each of which was a necessary component of obtaining the CRA Tax Payment:

   a) **Tax Appeal** – the Applicant's objection and subsequent appeal (the "**Tax Appeal**") filed in July 2020 with the Tax Court of Canada (the "**Tax Court**") to the CRA's December 2019 assessment which disallowed certain deductions claimed by the Applicant associated with deferred revenue for services in the amount of $348.5 million. This resulted in additional taxes for the Applicant of $85.5 million, plus interest and penalties of $24.3 million, for a total amount of $109.8 million. The Applicant satisfied approximately $96 million of the federal and provincial amounts assessed. Over the course of 2023 and 2024, the Applicant, with the assistance of its counsel, advanced preparation for the trial of the Tax Appeal that was scheduled to commence before the Tax Court on September 9, 2024, before being settled shortly in advance of trial.

   b) **Tax Appeal Settlement** – In the summer of 2024, counsel to His Majesty the King approached the Applicant with an offer to resolve the Tax Appeal. Negotiations between the parties ensued over the course of the summer, ultimately resulting in the settlement reflected in minutes of settlement and a related consent to judgment entered into between the Applicant and His Majesty the King, each dated September 3, 2024, and approved by this Court on September 26, 2024. The Tax Appeal Settlement reflected a complete acceptance of the Applicant's position on the substantive tax dispute at issue on the Tax Appeal.

[4] The Tax Appeal, Tax Appeal Settlement and the CRA Tax Matters Resolution are further detailed in the Eighth Report of the Monitor dated September 16, 2024 (the "**Eighth Report**") and the Eleventh Report of the Monitor dated October 14, 2025 (the "**Eleventh Report**").

c) **CRA Tax Matters Resolution** – Notwithstanding the Tax Appeal Settlement and a resulting Notice of Reassessment issued by CRA on March 5, 2025 (the "**2013 CRA Reassessment**") reflecting a refund owing to the Applicant of $74,481,789.67 (the "**CRA Refund**"), CRA declined to release the CRA Refund to the Applicant in light of $72,769,840.82 of income taxes assessed against the Applicant for the period January 1, 2023 to June 1, 2023, and CRA's position that it reserved rights of setoff as provided by applicable law. Following receipt of the 2013 CRA Reassessment, the Applicant and the Monitor, with the assistance of Cassels, Deloitte and Goodmans, undertook a comprehensive review to consider the 2013 CRA Reassessment, the CRA Refund, CRA's setoff position, and related impacts of the 2013 CRA Reassessment on the Applicant's tax position. Following conducting this analysis, the Applicant and the Monitor, in close consultation with the advisors for Bread and the Credit Agreement Lenders, engaged in extensive negotiations with CRA and the Department of Justice ("**DOJ**") on CRA's behalf in respect of the CRA Refund and CRA's setoff position. These negotiations ultimately resulted in the agreement by the Applicant, Monitor and CRA to the CRA Tax Matters Resolution, and have now resulted in receipt by the Monitor of the approximately $85 million CRA Tax Payment.

## 2.4 The Advisors

1. In the case of Osler, its scope of work on behalf of the Applicant related exclusively to the Tax Appeal and the Tax Appeal Settlement. Similarly, in the case of Deloitte, its scope of work on behalf of the Applicant related exclusively to the CRA Tax Matters Resolution. Each of Osler and Deloitte have invoiced the Applicant for their fees and expenses on a periodic basis, and the Applicant has paid the amounts invoiced (relevant accounts were reviewed and approved by the Monitor on the Applicant's behalf following completion of the Transaction and the enhancement of the Monitor's powers in this CCAA Proceeding). The Monitor has reviewed those invoices in preparing this Report and calculating the related Expense Deductions. Fees were charged on an hourly basis that, in the Monitor's view, are consistent with market rates and reasonable. The Monitor is of the view that the entirety of Osler's and Deloitte's fees and expenses constitute appropriate Expense Deductions.

2. In the case of the other Advisors (Cassels, Goodmans and the Monitor), their scope of work has encompassed the totality of the various workstreams in the CCAA Proceeding, including the Tax Appeal, the Tax Appeal Settlement and the CRA Tax Matters Resolution as key components and drivers of recovery in this case. Each of these Advisors has invoiced the Applicant for their fees and expenses on a periodic basis, and the Applicant has paid the amounts invoiced (relevant accounts were reviewed and approved by the Monitor on the Applicant's behalf following completion of the Transaction and the enhancement of the

Monitor's powers in this CCAA Proceeding).[5] Fees were charged on an hourly basis that, in the Monitor's view, are consistent with market rates and reasonable.

3. No specific billing codes were required to be used to track these Advisors' time relating to any specific workstream. As such, the Monitor requested that each of Cassels and Goodmans conduct a review of their respective fees to determine the portion of their fees that related to the Tax Appeal, the Tax Appeal Settlement and the CRA Tax Matters Resolution and would constitute Expense Deductions, and to provide an analysis to the Monitor. The Monitor conducted the same review of its own fees.

## 2.5 Summary of Expense Deductions

1. Based on the Monitor's review, the Monitor calculates the Expense Deductions as $4,756,392.40, plus HST of $613,450.75, for a total of $5,369,843.16. A summary chart outlining the Expense Deductions is set out below, and a description of the activities undertaken by each Advisor is set forth in the following sections. In total, the Expense Deductions represent approximately 6.3% of the CRA Tax Payment recovered by the Applicant.

| Advisor | Amount[6] |
|---|---|
| Osler (Tax Appeal counsel) | $3,287,254.51 |
| Deloitte(Tax advisor) | $89,987.00 |
| Cassels (Restructuring counsel) | $800,367.60 |
| Goodmans (Monitor's counsel) | $262,844.50 |
| Monitor | $278,398.33 |
| Other[7] | $37,540.46 |
| **Total Fees and Expenses** | **$4,756,392.40** |
| **Total HST** | **$613,450.75** |
| **Grand Total** | **$5,369,843.16** |

[5] Some recently invoiced amounts have not been paid as yet but will be paid from the Applicant's cash on hand in the near term in the normal course.

[6] For the purpose of this analysis, Advisor fees and expenses were calculated using the total fees and expenses, backing out 13% for HST, where applicable.

[7] The "Other" category relates to certain fees of a potential expert witness (Global Economics Group) engaged by the Applicant in connection with the Tax Litigation. These fees were originally denominated in United States dollars and have been translated to Canadian dollars using a foreign exchange rate of 1.377 as at December 15, 2025.

# 3.0 Summary of Advisor Activities

## 3.1 Osler

1. Osler's fees and expenses of $3,287,254.51 relate to the period from November 6, 2021 to June 2025.

2. Osler acted as counsel to the Applicant in the Tax Appeal and was also significantly involved in the Tax Appeal Settlement. Osler's activities through the period included:

   a) Ongoing legal advice regarding the Applicant's tax position, including: (i) reviewing legal requirements for the deductions claimed by the Applicant and the various legal issues raised by the CRA and Crown counsel regarding the Applicant's claim; (ii) conducting ongoing legal research regarding the issues raised in the Tax Appeal, including legal positions raised by the Crown; and (iii) ongoing drafting, updating and maintaining a legal theory memorandum;

   b) Assistance with administrative filings related to the Tax Appeal, including: (i) filing notices of objection with the CRA for taxation years subsequent to the years under appeal, and addressing the same issue before the Tax Court; (ii) providing advice in respect of related tax filings; and (iii) dealing with the CRA at the objections stage including dealing with payment/refund issues;

   c) Advising the Applicant regarding the Tax Appeal process and related Tax Court process and the various requirements that arise at each step;

   d) Attending to initial document production, including: (i) working with the Applicant to identify potentially relevant documents for the Tax Appeal; (ii) reviewing documents provided by the Applicant; and (iii) preparing the list of documents filed with the Tax Court;

   e) Attending to examinations for discovery, including: (i) preparing the Applicant's nominee for examinations for discovery including reviewing legal theory, documents produced, and potential discovery questions; (ii) attendances at examinations for discovery; and (iii) reviewing transcripts from examinations for discovery to update legal theory, identify undertakings, and evaluate strengths and weaknesses of the case after discovery;

   f) Attending to the undertakings process, including: (i) working with the Applicant to provide responses to undertakings; (ii) addressing issues arising from the Crown's response to undertakings; and (iii) corresponding with Crown counsel and addressing potential motion issues raised by both parties answers and responses to undertakings;

g) Dealing with expert witness issues, including: (i) identifying potential experts to assist with the Tax Appeal; (ii) identifying and providing potentially relevant material to the expert for review; (iii) meeting with the expert to discuss a potential report; and (iv) reviewing draft expert reports;

h) Dealing with witness matters, including: (i) identifying potential witnesses to be called at trial; (ii) preparing packages of documents to be reviewed with witnesses; (iii) meetings with witnesses to review documents and prepare for trial; and (iv) drafting questions to be asked at trial;

i) Drafting an agreed statement to be negotiated with the Crown that could be entered as a joint statement by the parties in the Tax Appeal;

j) Preparing for trial, including: (i) drafting legal submissions for trial; (ii) refining the legal theory based on the information gathered during witness preparation and the creation of the expert reports; (iii) mapping the evidence to support the legal theory; and (iv) considering witness order, planning how to handle evidence and trial logistics;

k) Negotiating the Tax Appeal Settlement and assisting Cassels with its documentation of the settlement for approval in this CCAA Proceeding, including meetings with the Monitor and stakeholder advisors to discuss settlement issues and approach; and

l) Attending trial management conferences with the Crown and the Tax Court judge to discuss status of the Tax Appeal and whether a trial would be held.

3. The Monitor is of the view that Osler's fees and expenses of $3,287,254.51 plus HST of $427,343.09 constitute appropriate Expense Deductions.

### 3.2 Deloitte

1. Deloitte's fees and expenses of $89,987.00 relate to the period from September 25, 2024 to November 26, 2025.

2. Deloitte is the Applicant's tax advisor and assisted on the CRA Tax Matters Resolution. Deloitte's activities through the period included:

a) Reviewing the Applicant's available tax records and reconciling the Applicant's tax years from December 31, 2013, to December 31, 2023, to assist the Applicant in determining the amount owing to it as a result of the 2013 CRA Reassessment and the resulting impacts for subsequent tax years, which in turn informed negotiations with the CRA and DOJ that ultimately resulted in the CRA Tax Matters Resolution;

b) Assisting in considering settlement positions and proposals in the context of the negotiation of the CRA Tax Matters Resolution, including preparing related tax analyses and considering various scenarios; and

c) Participating in numerous video conferences with the other Advisors to discuss the 2013 CRA Reassessment, the Applicant's tax position and matters pertaining to the negotiation of the CRA Tax Matters Resolution, as well as to provide updates to (and respond to questions from) the advisors to Bread and the Credit Agreement Lenders on the review of the Applicant's tax position and the negotiation of the CRA Tax Matters Resolution.

3. The Monitor is of the view that Deloitte's fees and expenses of $89,987.00 plus HST of $11,698.31 constitute appropriate Expense Deductions.

### 3.3 Cassels

1. Cassels' fees of $800,367.60 relate to the period from April 4, 2023 to October 17, 2025.

2. Cassels conducted a thorough review of its accounts and provided an analysis to the Monitor of its estimated fees pertaining to legal advice and/or restructuring related work requested of Cassels by the Applicant (and the Monitor, on behalf of the Applicant, from and after the expansion of the Monitor's powers) in connection with the Tax Appeal, the Tax Appeal Settlement and the CRA Tax Matters Resolution. The Monitor notes that, as part of that analysis, Cassels only included fees where the docket entries specifically reflected work related to one of those three workstreams and excluded any fees where the relevant docket entries reflected work on only unrelated work streams. Cassels also applied a voluntary percentage discount to the relevant fees it identified, as an additional measure to ensure that any fees related to unrelated workstreams were not included. In the Monitor's view, the approach that Cassels employed is reasonable and appropriate.

3. Cassels is the Applicant's counsel in the CCAA proceedings, and was significantly involved in the intersection of the CCAA Proceeding and the Tax Appeal, the Tax Appeal Settlement and the CRA Tax Matters Resolution. Cassels activities through the period included:

   a) Advising the Applicant in connection with tax refund maximization strategies in the context of this CCAA Proceeding and related relief from this Court;

   b) Assisting in developing an effective framework for the Tax Appeal Settlement to maximize stakeholder recovery;

   c) Negotiating and drafting the minutes of settlement and consent to judgment for the Tax Appeal Settlement;

   d) Preparing motion materials and prosecuting the Applicant's motion seeking Court approval of the Tax Appeal Settlement;

   e) Assisting in analyzing the Applicant's tax position following receipt of the 2013 Reassessment;

f) Analyzing CRA and DOJ's legal positions on setoff and the Applicant's strategic options including potential litigation options to maximize the CRA Tax Payment;

g) Leading extensive negotiations over half a year with DOJ to achieve the CRA Tax Matters Resolution;

h) Preparing motion materials and prosecuting the Applicant's motion seeking Court approval of the CRA Tax Matters Resolution;

i) Leading engagement with the advisors to Bread and the Credit Agreement Lenders regarding the Applicant's motions to seek Court approval of the Tax Appeal Settlement and the CRA Tax Matters Resolution, and negotiations with the CRA and the DOJ on the CRA Tax Matters Resolution; and

j) Advising the Monitor (on behalf of the Applicant, in the Monitor's expanded powers capacity) and engaging with the Monitor's counsel and the Applicant's other advisors in connection with all the foregoing, including implementation strategy for prompt receipt of the CRA Tax Payment.

4. Given the scope of work that Cassels was required to undertake and the approximately two-and-a-half-year period of time involved, the Monitor is of the view that Cassels' fees of $800,367.60 plus HST of $104,047.79 constitute appropriate Expense Deductions.

### 3.4 Goodmans

1. Goodmans' fees of $262,844.50 relate to the period from April 28, 2023 to October 17, 2025.

2. Goodmans conducted a thorough review of its accounts and provided the Monitor with its estimated fees pertaining to the Tax Appeal, the Tax Appeal Settlement and the CRA Tax Matters Resolution. The Monitor understands that in conducting its review, Goodmans only included fees where the relevant docket entries reflected that all, or substantially all, of the specified fees related to the Tax Appeal, the Tax Appeal Settlement or the CRA Tax Matters Resolution, and excluded any fees where the relevant docket entries reflected material work on any unrelated work streams.

3. Goodmans is the Monitor's counsel in the CCAA proceedings, and was significantly involved in the Tax Appeal Settlement and the CRA Tax Matters Resolution. Goodmans activities through the period included:

a) Reviewing the pleadings in the Tax Appeal to assist the Monitor in understanding the matters at issue on the Tax Appeal;

b) Reviewing and commenting on settlement documentation and motion materials prepared by the Applicant's counsel for the Applicant's motion seeking Court approval of the Tax Appeal Settlement and assisting the Monitor in preparing the related Monitor's Report and attending at the Court hearing;

c) Reviewing, considering and advising the Monitor on issues relating to the CRA's position on setoff and assisting in negotiating the CRA Tax Matters Resolution with the DOJ;

d) Participating on videoconferences with the advisors to Bread and the Credit Agreement Lenders regarding the status of negotiations with the CRA and the DOJ on the CRA Tax Matters Resolution; and

e) Reviewing and commenting on motion materials for the Applicant's motion seeking Court approval of the CRA Tax Matters Resolution, assisting the Monitor in preparing the related Monitor's Report and attending at the Court hearing.

4. The Monitor is of the view that Goodmans' fees of $262,844.50 plus HST of $34,169.79 constitute appropriate Expense Deductions.

### 3.5 The Monitor

1. The Monitor's fees of $278,398.33 cover the period from July 1, 2023 to November 30, 2025.

2. The Monitor conducted a review of its total fees in order to provide an estimate of its fees pertaining to the Tax Appeal, the Tax Appeal Settlement and the CRA Tax Matters Resolution.

3. Over the course of this CCAA Proceeding, the Monitor was significantly involved in the Tax Appeal Settlement and the CRA Tax Matters Resolution. Of note, pursuant to the Ancillary Relief Order of the Court dated May 12, 2023, the Monitor's powers were enhanced to (among other things) direct the Tax Appeal, including any potential settlement, on behalf of the Applicant. As a result, the Monitor has overseen and directed the Applicant's activities (and the activities of the Applicant's counsel, Cassels and Osler) in relation to the Tax Appeal, the Tax Appeal Settlement and the CRA Tax Matters Resolution over the past two and a half years. The Monitor's activities through the period included:

   a) Working with counsel to review the matters at issue in the Tax Appeal and instructing Osler, on behalf of the Applicant, in the Tax Appeal from and after the expansion of the Monitor's powers;

   b) Overseeing the Tax Appeal Settlement, directing Osler and Cassels in connection therewith, and preparing the related Monitor's Report supporting the Applicant's motion for approval of the Tax Appeal Settlement and attending at the Court hearing;

c) Working with Deloitte and counsel to review the 2013 CRA Reassessment, the 2023 CRA Assessed Taxes, the Applicant's tax position and setoff issues;

d) Directing negotiation of the CRA Tax Matters Resolution, including engaging in direct discussions with the CRA;

e) Participating on videoconferences with the advisors to Bread and the Credit Agreement Lenders regarding the status of negotiations with the CRA and the DOJ on the CRA Tax Matters Resolution; and

f) Preparing the Monitor's Report in respect of the CRA Tax Matters Resolution and attending at the Court hearing.

4. The Monitor is of the view that its fees of $278,398.33 plus HST of $36,191.78 constitute appropriate Expense Deductions.

## 4.0 Conclusion on Expense Deductions

1. As noted previously, the Monitor calculates the Expense Deductions as $4,756,392.40, plus HST of $613,450.75, for a total of $5,369,843.16, which represents approximately 6.4% of the CRA Tax Payment. The Monitor is of the view that the Expense Deductions are reasonable and appropriate in the circumstances.

2. In accordance with the CRA Tax Matters Resolution Order, unless an objection to the amount of the Expense Deductions is received in writing by the Monitor and the Applicant from an interested party within thirty (30) days of the issuance of this Report, the Monitor will transfer an amount equal to the Expense Deductions from the CRA Tax Payment Account and deposit such amount in the Applicant's general bank account.

## 5.0 Unsecured Creditor Pool

1. A claims process has not yet been administered in this CCAA Proceeding. In connection with the Lenders' Threshold Motion and any determination of entitlement to the CRA Tax Payment, the Monitor is providing its current estimate of the Applicant's unsecured creditor pool, as set forth in the table below.

2. The Applicant's unsecured creditors will be affected by any decision on the issue of entitlement to the CRA Tax Payment: if the CRA Tax Payment is determined to be available to the Applicant for the benefit of all unsecured creditors, the Monitor expects the Applicant will be in a position to make distributions to unsecured creditors; alternatively, if Bread is determined to have an exclusive entitlement to the CRA Tax Payment, the Monitor does not expect there will be any funds available for distribution to unsecured creditors.

3. The Applicant's estimated unsecured creditor pool includes: (i) the Credit Agreement Agent/Credit Agreement Lenders (for their deficiency claim); (ii) the CRA and potentially other taxing authorities; (iii) approximately 60 trade creditors; (iv) counterparties to approximately 58 contracts disclaimed by the Applicant with potential restructuring claims; and (v) Bread (to the extent the TMA remains in force and is determined to create an unsecured claim).

| Categories of Unsecured Creditors | Estimated Unsecured Creditor Claim Amounts (CAD; millions) |
|---|---|
| Credit Agreement Lenders | 852[8] |
| CRA/Taxing Authorities | 68 |
| Trade Creditors | 8[8] |
| Restructuring Claims (Disclaimers) | Unknown |
| Bread | 79 |
| **Total Estimated Amount** | **1,007** |

4. As noted above, a claims process has not been conducted in the CCAA Proceeding as yet and, as such, the foregoing is an estimate only. Nothing in the foregoing table or this Report generally shall be taken to bind the Applicant or the Monitor in respect of the determination of any claims (including the amounts thereof), which claims remain subject to resolution in a claims process, if and when approved in this CCAA Proceeding.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.**
**IN ITS CAPACITY AS MONITOR OF**
**LOYALTYONE, CO.**
**AND NOT IN ITS PERSONAL CAPACITY**

[8] The amounts identified by this footnote were originally denominated in United States dollars and have been translated to Canadian dollars using a foreign exchange rate of 1.377 as at December 15, 2025.

# Appendix “A”

Execution Version

# 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

## TABLE OF CONTENTS

# 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(c)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)(G) |
| 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: DocuSigned by: Perry Beberman BEFE5AF6A5894C3...
Name: Perry Beberman
Title: Chief Financial Officer

By: _____
Name: Jeffrey Fair
Title: Senior Vice President

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: _____
Name: Perry Beberman
Title: Chief Financial Officer

By: _____
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: 

Name: Jeffrey Fair
Title: Senior Vice President

**SCHEDULE A**

The following transactions occurring pursuant to the Restructuring are intended to be treated for U.S. federal income tax purposes as follow:

1. ADS Foreign Holdings, Inc. converts to a limited liability company and becomes ADS Foreign Holdings, LLC. This conversion is intended to qualify as a tax-free liquidation under Section 332 of the Code.

2. Alliance Data Systems Foreign Holdings, Inc. converts to a limited liability company and becomes Alliance Data Systems Foreign Holdings, LLC. This conversion is intended to qualify as a tax-free liquidation under Section 332 of the Code.

3. Alliance Data International, LLC elects to be treated as a disregarded entity for U.S. federal tax purposes. This election is intended to qualify as a tax-free liquidation under Section 332 of the Code.

4. Upon the deemed liquidation of ADS Foreign Holdings, Inc., Alliance Data Systems Foreign Holdings, Inc. and Alliance Data International, LLC described in 1-3 above, the amount of the intercompany gain resulting from ADS's previous contribution of all of the issued and outstanding stock of LoyaltyOne, Inc. to Alliance Data Systems Foreign Holdings, Inc. in exchange for equity and a note receivable is intended to be redetermined to be excluded from gross income under Treas. Reg. §1.1502-13(c)(6).

**SCHEDULE B**

The following entities are in the process of being liquidated or will be liquidated by Loyalty Ventures or a member of Loyalty Ventures Group:

- Merison Retail B.V.
- Merison Group B.V.
- Max Holding B.V.
- Edison International Concept & Agencies B.V.
- Brand Loyalty Special Promotions B.V.

**SCHEDULE C**

The following matters may result in Tax Refunds to which ADS is entitled pursuant to Section 8(a):

- LoyaltyOne, Co. income tax payments made in order to appeal and litigate the 2013 tax assessments (and additional assessments in 2014-2016) issued by both Canadian federal and provincial tax authorities.

- Apollo Holdings BV 2019 Tax Return net operating loss carryback to 2018 tax year.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF LOYALTYONE, CO.

Court File No.: CV-23-00696017-00CL

***ONTARIO***
**SUPERIOR COURT OF JUSTICE**
**COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**THIRTEENTH REPORT OF THE MONITOR**
**(DECEMBER 19, 2025)**

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