

# LENDINGTREE, INC.

## FORM 10-K (Annual Report)

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-K**

(Mark One)

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

For the Fiscal Year Ended December 31, 2017

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File No. 001-34063



**LendingTree, Inc.**

(Exact name of Registrant as specified in its charter)

**Delaware** **26-2414818**  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

**11115 Rushmore Drive, Charlotte, North Carolina 28277**

(Address of principal executive offices)

**(704) 541-5351**

(Registrant's telephone number, including area code)

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

Title of Each Class	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	The Nasdaq Stock Market

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company   
(Do not check if a smaller reporting company)

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of the voting common stock held by non-affiliates of the Registrant as of June 30, 2017 was approximately \$1,231 million. For the purposes of the foregoing calculation only, all directors and executive officers of the Registrant and the single stockholder who owns in excess of 20% of the voting common stock are assumed to be affiliates of the Registrant.

As of February 21, 2018, there were 12,243,752 shares of the Registrant's common stock, par value \$.01 per share, outstanding.

**Documents Incorporated By Reference:**

Portions of the Registrant's proxy statement for its 2018 Annual Meeting of Stockholders are incorporated by reference into Part III herein.

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## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This annual report on Form 10-K for the fiscal year ended December 31, 2017 (the "Annual Report") contains "forward-looking statements" within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements related to our anticipated financial performance, business prospects and strategy; anticipated trends and prospects in the various industries in which our businesses operate; new products, services and related strategies; and other similar matters. These forward-looking statements are based on management's current expectations and assumptions about future events, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. The use of words such as "anticipates," "estimates," "expects," "projects," "intends," "plans" and "believes," among others, generally identify forward-looking statements.

Actual results could differ materially from those contained in the forward-looking statements. Factors currently known to management that could cause actual results to differ materially from those in forward-looking statements include those matters discussed below, including in Part I. Item 1A. Risk Factors.

Other unknown or unpredictable factors that could also adversely affect our business, financial condition and results of operations may arise from time to time. In light of these risks and uncertainties, the forward-looking statements discussed in this report may not prove to be accurate. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of LendingTree, Inc.'s management as of the date of this report. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results or expectations, except as required by law.

## PART I

### ITEM 1. *Business*

#### **Our Company**

LendingTree, Inc. ("LendingTree", the "Company", "we" or "us") operates what we believe to be the leading online loan marketplace for consumers seeking loans and other credit-based offerings. Our online marketplace provides consumers with access to product offerings from over 450 active lenders (which we refer to as "Network Lenders"), including mortgage loans, home equity loans and lines of credit, reverse mortgage loans, auto loans, credit cards, deposit accounts, personal loans, student loans, small business loans and other related offerings. In addition, we offer tools and resources, including free credit scores, that facilitate comparison shopping for these loans, deposits and other credit-based offerings. We seek to match consumers with multiple lenders, who can provide them with competing quotes for the product they are seeking. By providing consumers access to a broad array of credit-based offerings directly from multiple lenders, rather than just multiple quotes from the same lender or indirectly through intermediaries, we believe our marketplace is differentiated from other providers operating loan comparison-shopping marketplaces.

Our strategically designed and executed advertising and marketing campaigns (which we refer to as performance marketing) span a wide array of digital and traditional media acquisition channels and promote our LendingTree and other brands and product offerings. Our marketing efforts are designed to attract consumers to our websites and toll-free telephone numbers. Interested consumers complete inquiry forms, providing detailed information about themselves and the loans or other offerings they are seeking. We refer to such consumer inquiries as loan requests. We then match these loan requests with lenders in our marketplace that are seeking to serve these consumers' needs. We generate revenue from these lenders, generally at the time of transmitting a loan request to them, in the form of a match fee. In certain instances outside our mortgage business, we charge other kinds of fees, such as closed loan or closed sale fees. In addition to our primary loan request data referral business, LendingTree also matches consumers with lenders via website clicks and calls for which lenders pay either front-end or back-end fees.

We are continually working to improve the consumer experience. We have made investments in technologically-adept personnel and we use in-market real-time testing to improve our digital platforms. Additionally, we work with our lenders, including providing training and other resources, to improve the consumer experience throughout the loan process. Further, we have been building and improving our My LendingTree platform, which provides a relationship-based consumer experience, rather than just a transaction-based experience.

#### **Evolution and Future Growth of Our Business**

At its inception, our original business was to serve consumers seeking home mortgage loans by matching them with various lenders. We launched the LendingTree brand nationally in 1998 and, over the last nineteen years, we invested significantly in this brand to gain widespread consumer recognition.

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More recently, we have actively sought to expand the suite of loan and other product offerings we provide to consumers, in order to both leverage the applicability of the LendingTree brand as well as more fully serve the needs of consumers and lenders. We believe that consumers with existing LendingTree-branded associations will be more likely to utilize our other service offerings than those of other providers whose brands consumers may not recognize.

In June 2014, we re-launched My LendingTree, a platform that offers a personalized loan comparison-shopping experience, by providing free credit scores and credit score analysis. This platform enables us to observe consumers' credit profiles and then identify and alert them to loan and other credit-based offerings on our marketplace that may be more favorable than the loans they have at a given point in time. This is designed to provide consumers with measurable savings opportunities over their lifetimes.

By expanding our portfolio of loans and other product offerings, we are growing and diversifying our business and sources of revenue. We intend to capitalize on our expertise in performance marketing, product development and technology, and to leverage the widespread recognition of the LendingTree brand to effect this strategy.

We believe the consumer and small business financial services industry is still the early stages of a fundamental shift to online product offerings, similar to the shift that started in retail and travel many years ago and is now well established. We believe that, like retail and travel, as consumers continue to move towards online shopping and transactions for financial services, suppliers will increasingly shift their product offerings and advertising budgets toward the online channel. We believe the strength of our brands and of our lender network place us in a strong position to continue to benefit from this market shift.

### **Recent Business Acquisitions**

On September 19, 2017, we acquired certain assets of Snap Capital LLC, which does business under the name SnapCap. SnapCap is a tech-enabled online platform, which connects business owners with lenders offering small business loans, lines of credit and merchant cash advance products through a concierge-based sales approach. We believe that by combining SnapCap's high-touch, high-conversion sales approach with our brand and performance marketing expertise, we can derive substantial revenue synergies and accelerate growth in our small business offering.

On June 20, 2017, we acquired the membership interests of Camino Del Avion (Delaware), LLC, which does business under the name MagnifyMoney. MagnifyMoney is a leading consumer-facing media property that offers editorial content, expert commentary, tools and resources to help consumers compare financial products and make informed financial decisions. The MagnifyMoney team brings the expertise and infrastructure to expand content creation and distribution across all of our consumer facing brands, improving our presence and efficacy in acquisition channels such as search engine optimization.

On June 14, 2017, we acquired substantially all of the assets of Deposits Online, LLC, which does business under the name DepositAccounts.com ("DepositAccounts"). DepositAccounts is a leading consumer-facing media property in the depository industry and is one of the most comprehensive sources of depository deals and analysis on the Internet, covering all major deposit product categories through editorial content, programmatic rate tables and user-generated content. This acquisition represents our first offering to address the asset side of the consumer balance sheet.

On November 16, 2016, we acquired Iron Horse Holdings, LLC, which does business under the name CompareCards. CompareCards is a leading online source for side-by-side credit card comparison shopping. CompareCards provides consumers with one centralized location for pertinent credit card information needed to find the best card for their needs. CompareCards' unique marketing platform and strong relationships with card issuers combined with LendingTree's scale and organizational support have caused substantial growth in our credit card business. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations for the Years Ended December 31, 2017, 2016, and 2015 - Revenue."

These acquisitions continue our diversification strategy.

### **Products**

We currently report our revenues in two product categories: (i) mortgage products and (ii) non-mortgage products. Non-mortgage products include credit cards, personal loans, home equity loans, reverse mortgage loans, auto loans, small business loans and student loans. Non-mortgage products also include deposit accounts, home improvement referrals and other credit products such as credit repair and debt settlement.

Mortgage and non-mortgage product revenue is as follows (*in thousands*) :

	<b>For the Year Ended December 31,</b>		
	<b>2017</b>	<b>2016</b>	<b>2015</b>
Mortgage products	\$ 275,910	\$ 219,991	165,272
Non-mortgage products	341,826	164,411	88,944
<b>Total revenue</b>	<b>\$ 617,736</b>	<b>\$ 384,402</b>	<b>\$ 254,216</b>

LendingTree does not charge consumers or small businesses for the use of our services. Revenues from our mortgage products are mostly derived from upfront match fees paid by Network Lenders that receive a loan request, and in some cases upfront fees for clicks or call transfers. Because a given loan request form can be matched with more than one Network Lender, up to five match fees may be generated from a single consumer loan request form. Revenues from our non-mortgage products are derived from upfront match fees paid on delivery of a loan request, click or call and closed loan fees. For our credit card product, we send click traffic to issuers and are paid per card approval. For the years ended December 31, 2017, 2016 and 2015, one Network Lender, Quicken Loans, accounted for 11%, 15% and 11% of total revenue, respectively. Another Network Lender, loanDepot, LLC, accounted for 13% and 12% of total revenue for the years ended December 31, 2016 and 2015, respectively.

### ***Mortgage Products***

Our mortgage products category includes our purchase and refinance products.

We partner with lenders throughout the United States to provide full geographic lending coverage and to offer a complete suite of loan offerings on our marketplace. To participate on our marketplace, lenders are required to enter into contracts with us that state the terms and conditions for such participation, although these contracts generally may be terminated for convenience by either party. We perform certain due diligence procedures on prospective new lenders, including screening against a national anti-fraud database maintained by the Mortgage Asset Research Institute, which helps manage our risk exposure. The data is utilized to determine whether a lender and its principals are eligible to participate on our marketplace and have not been convicted of and/or penalized for fraudulent activity.

Consumers seeking mortgage loans through our loan marketplace can receive multiple conditional loan offers from participating lenders in response to a single loan request form. We refer to the process by which we match consumers and Network Lenders as the matching process. This matching process consists of the following steps:

- (1) **Loan Request.** Consumers complete a single loan request form with information regarding the type of mortgage loan product they are seeking, loan preferences and other data. Consumers also consent to a soft inquiry regarding their credit.
- (2) **Loan Request Form Matching and Transmission.** Our proprietary systems and technology match a given consumer's loan request form data, credit profile and geographic location against certain pre-established criteria of Network Lenders, which may be modified from time to time. Once a given loan request passes through the matching process, the loan request is automatically transmitted to up to five participating Network Lenders.
- (3) **Lender Evaluation and Response.** Network Lenders that receive a loan request form evaluate the information contained in it to determine whether to make a conditional loan offer.
- (4) **Communication of a Conditional Offer.** All matched Network Lenders and any conditional offers are presented to the consumer upon completion of the loan request form. Consumers can return to the site and view their offer(s) at any time by logging in to their My LendingTree profile. Additionally, matched lenders and offers are also sent to the email address associated with the consumer request.

We also offer consumers other mortgage products such as:

- an alternative "short-form" matching process, which provides them with lender contact information rather than conditional offers from Network Lenders, and
- a "rate table" loan marketplace, where consumers can enter their loan and credit profile and dynamically view real-time rates from lenders without entering their contact information.

### ***Non-Mortgage Products***

*Lending Products* . Other lending products on our online marketplace include information, tools and access to multiple conditional loan offers for the following:

- Auto, which includes our auto refinance and purchase loan products. Auto loans enable consumers to purchase new or used vehicles or refinance an existing loan secured by an automobile.

- Credit cards, which include offerings from most major card issuers. As described above, during the fourth quarter of 2016, we purchased CompareCards, a leader in the online credit card comparison industry, enhancing this product.
- Home equity loans and lines of credit, which enable home owners to borrow against the equity in their home, as measured by the difference between the market value of the home and any existing loans secured by the home. Home equity loans are one-time lump sum loans, whereas a home equity line of credit reflects a line of revolving credit where the borrower has flexibility to draw down and repay the line over time.
- Personal loans, which are unsecured obligations generally carrying shorter terms and smaller loan amounts than home mortgages.
- Reverse mortgage loans, which are a loan product available to qualifying homeowners age 62 or older.
- Small business loans, which include a broad array of financing types, including but not limited to loans secured by working capital, equipment, real estate and other forms of financing, provided to small and medium-sized businesses. As described above, during the third quarter of 2017, we purchased SnapCap, an online platform with a concierge-based approach to connecting business owners with sources of credit, enhancing this product.
- Student loans, which includes both new loans to finance an education and related expenses, as well as refinancing of existing loans. During the second quarter of 2016, we purchased SimpleTuition, a leading online marketing platform for student loans, enhancing this product.

We intend to continue adding new lending offerings for consumers, small businesses and lenders on our online marketplace, in order to grow and diversify our sources of revenue. We may develop such new offerings through internal product development efforts, strategic business relationships with third parties and/or acquisitions.

*Other Products* . Other products also includes information, tools and access to the following:

- Deposit accounts, through which consumers can access depository deals and analysis covering all major deposit product categories.
- Credit repair, through which consumers can obtain assistance improving their credit profiles, in order to expand and improve loan and other financial product opportunities available to them.
- Debt relief services, through which consumers can obtain assistance negotiating existing loans.
- Home improvement services, through which consumers have the opportunity to research and find home improvement professional services.
- Personal credit data, through which consumers can gain insights into how prospective lenders and other third parties view their credit profiles.
- Real estate brokerage services, through which consumers are matched with local realtors who can assist them in their home purchase or sale efforts.
- Various consumer insurance products, including home and automobile, through which consumers are matched with insurance lead aggregators to obtain insurance offers.

We refer to the various purchasers of leads from our other marketplaces as lead purchasers. We generate revenue from the deposit account product from a consumer clicking from our website through to a financial institution's website. We generate revenue through the insurance products and real estate brokerage services through match fees paid to us by insurance lead aggregators and real estate brokers participating in our online marketplace. We generate revenue from credit repair and debt relief services either through a fee for a customer referral to a service provider partner or through a fee at the time a consumer enrolls in a program with one of our partners. Revenue for home services is derived primarily through matching of leads to other home services lead aggregators.

## **Seasonality**

Revenue in our lending business is subject to cyclical and seasonal trends. Home sales (and purchase mortgages) typically rise during the spring and summer months and decline during the fall and winter months, while refinancing and home equity activity is principally driven by mortgage interest rates as well as real estate values. However, in certain historical periods additional factors affecting the mortgage and real estate markets, such as the 2008-2009 financial crisis and ensuing recession have impacted customary seasonal trends.

We anticipate revenue in our newer products to be cyclical as well; however, we have limited historical data to predict the nature and magnitude of this cyclicity. Based on industry data, we anticipate that as our personal loan product matures we will

experience less consumer demand during the fourth and first quarters of each year. We also anticipate less consumer demand for credit cards in the fourth quarter of each year and we anticipate higher consumer demand for deposit accounts in the first quarter of each year. The majority of consumer demand for student loan products occurs in the third quarter coinciding with collegiate enrollment in late summer. Other factors affecting our businesses include macro factors such as credit availability in the market, interest rates, the strength of the economy and employment.

## Competition

Our lending and other businesses compete with other online marketing companies, including online intermediaries that operate network-type arrangements. We also face competition from lenders that source consumer loan originations directly. These companies typically operate consumer-branded websites and attract consumers via online banner ads, keyword placement on search engines, direct mail, television ads, retail branches, realtors, brokers, radio and other sources, partnerships with affiliates and business development arrangements with others, including major online portals.

## Product Development

We invest in the continued development of both new and existing products to enhance the experiences of consumers and lenders as they interact with us. We incurred product development costs of \$24.2 million, \$19.8 million and \$16.8 million during the years ended December 31, 2017, 2016 and 2015, respectively, all of which was company sponsored.

## Financial Information About Segments and Geographic Areas

We have one reportable segment. See Note 18—Segment Information to the consolidated financial statements included elsewhere in this report.

Additional information on our financial performance by geographic areas can be found in Note 2—Significant Accounting Policies to the consolidated financial statements included elsewhere in this report.

## Corporate History

LendingTree, Inc., is the parent of LendingTree, LLC and several companies owned by LendingTree, LLC. LendingTree, LLC, formerly known as LendingTree, Inc., was incorporated in the state of Delaware in June 1996 and commenced nationwide operations in July 1998. LendingTree, Inc., was acquired by IAC/InterActiveCorp ("IAC") in 2003 and converted to a Delaware limited liability company (LendingTree, LLC) in December 2004. LendingTree, LLC entered the mortgage origination business through the acquisition of Home Loan Center, Inc. in 2004. On August 20, 2008, LendingTree, LLC (along with its parent holding company Tree.com, Inc.) was spun off from IAC/InterActiveCorp into a separate publicly-traded company. We refer to the separation transaction as the "spin-off" in this report. Tree.com was incorporated as a Delaware corporation in April 2008 in anticipation of the spin-off. The Home Loan Center business was sold to Discover Financial Services in 2012. Since then, the Company has operated as a pure online marketplace and does not originate loans. Effective January 1, 2015, we changed our corporate name from Tree.com, Inc. to LendingTree, Inc.

## Regulation and Legal Compliance

Our businesses market and provide services in heavily regulated industries through a number of different online and offline channels across the United States. As a result, we are subject to a variety of statutes, rules, regulations, policies and procedures in various jurisdictions in the United States, including:

- Restrictions on the manner in which consumer loans are marketed and originated, including, but not limited to, the making of required consumer disclosures, such as the Federal Trade Commission's Mortgage Advertising Practices ("MAP") Rules, federal Truth-in-Lending Act, the federal Equal Credit Opportunity Act, the federal Fair Credit Reporting Act, the federal Fair Housing Act, the federal Real Estate Settlement Procedures Act ("RESPA"), and similar state laws;
- Restrictions imposed by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd Frank Act") and current or future rules promulgated thereunder, including, but not limited to, limitations on fees charged by mortgage lenders, mortgage broker disclosures and rules promulgated by the Consumer Financial Protection Bureau ("CFPB"), which was created under the Dodd-Frank Act;
- Restrictions on the amount and nature of fees that may be charged to lenders and real estate professionals for providing or obtaining consumer loan requests, such as under RESPA;



- Federal and State laws relating to the implementation of the Secure and Fair Enforcement of Mortgage Licensing Act of 2008 (the "SAFE Act") that require us to be licensed in all States and the District of Columbia (licensing requirements are applicable to both individuals and/or businesses engaged in the solicitation of or the brokering of residential mortgage loans and/or the brokering of real estate transactions);
- State and federal restrictions on the marketing activities conducted by telephone, mail, email, mobile device or the internet, including the Telemarketing Sales Rule ("TSR"), the Telephone Consumer Protection Act ("TCPA"), state telemarketing laws, federal and state privacy laws, the CAN-SPAM Act, and the Federal Trade Commission Act and their accompanying regulations and guidelines;
- State laws requiring licensure for or otherwise imposing restrictions on the solicitation of or brokering of consumer loans which could affect us in our personal loan, automobile loan, student loan, credit card, or other non-mortgage consumer lending businesses;
- Restrictions on the usage and storage of consumer credit information, such as those contained in the federal Fair Credit Reporting Act and the federal Credit Repair Organization Act; and
- State "Bird Dog" laws which restrict the amount and nature of fees, if any, that may be charged to consumers for automobile direct and indirect financing.

## **Intellectual Property**

We believe that our intellectual property rights are vital to our success. To protect our intellectual property rights in our brand, technology, products, improvements and inventions, we rely on a combination of trademarks, trade secrets, patents and other laws, and contractual restrictions on disclosure, including confidentiality agreements with strategic partners, employees, consultants and other third parties. As new or improved proprietary technologies are developed or inventions are identified, we seek patent protection in the United States and abroad, as appropriate. We have three issued U.S. patents relating to our technologies. Two such patents relate to the method and network for coordinating a loan over the internet and will expire in 2018. The third patent, which relates to the system and method for collecting financial information over a global communications network, expires in 2032.

Many of our services are offered under proprietary trademarks and service marks. We generally apply to register or secure by contract our principal trademarks and service marks as they are developed and used. We have 45 trademarks and service marks registered with the United States Patent and Trademark Office. These registrations can typically be renewed at 10-year intervals.

We reserve and register domain names when and where we deem appropriate and we currently have over 1,000 registered domain names. We also have agreements with third parties that provide for the licensing of patented and proprietary technology used in our business.

From time to time, we may be subjected to legal proceedings and claims, or threatened legal proceedings or claims, including allegations of infringement of third-party trademarks, copyrights, patents and other intellectual property rights of third parties. In addition, the use of litigation and other dispute resolution processes, such as Uniform Domain Name Dispute Resolution, may be necessary for us to enforce our intellectual property rights, protect trade secrets or to determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business, financial condition and results of operations.

## **Employees**

As of December 31, 2017, we had 535 employees, of which approximately 523 are full-time and 12 are temporary or part-time. None of our employees are represented under collective bargaining agreements and we consider our relations with employees and independent contractors to be good.

## **Additional Information**

### **Website and Public Filings**

We maintain a corporate website at [www.lendingtree.com](http://www.lendingtree.com) and an investor relations website at [investors.lendingtree.com](http://investors.lendingtree.com). None of the information on our website is incorporated by reference in this report, or in any other filings with, or in any information furnished or submitted to, the Securities and Exchange Commission (the "SEC").

We make available, free of charge through our website, our reports on Forms 10-K, 10-Q and 8-K, our proxy statement for the annual shareholders' meeting and beneficial ownership reports on Forms 3, 4 and 5 as soon as reasonably practicable after we

file such material with, or furnish such material to, the SEC. Our filings with the SEC are available to the public over the Internet at the SEC's website at [www.sec.gov](http://www.sec.gov), or at the SEC's public reference room located at 100 F Street, N.E., Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room.

**Code of Business Conduct and Ethics**

Our code of business conduct and ethics, which applies to all employees, including all executive officers and senior financial officers and directors, is posted on our website at [investors.lendingtree.com/corporate-governance.cfm](http://investors.lendingtree.com/corporate-governance.cfm). This is our code of ethics pursuant to Item 406 of SEC Regulation S-K and the rules of The Nasdaq Stock Market. Any amendments to or waivers of the code of business conduct and ethics that are of the type described in Item 406(b) and (d) of Regulation S-K will be disclosed on our website.

**ITEM 1A. Risk Factors**

*Investing in our common stock involves a high degree of risk. Before making an investment decision, you should carefully consider the risks described below, together with all of the other information included in this annual report and the information incorporated by reference herein. If any of the risks described below, or incorporated by reference into this annual report actually occur, our business, financial condition or results of operations could suffer. In that case, the trading price of our common stock may decline and you may lose all or part of your investment. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, financial condition and results of operations. Certain statements below are forward-looking statements. See the information included under the heading "Cautionary Statement Regarding Forward-Looking Information."*

**Risks Related to Our Business and Industry**

***Adverse conditions in the primary and secondary mortgage markets, as well as the general economy, could materially and adversely affect our business, financial condition and results of operations.***

Constraints in the primary and secondary mortgage markets have in the past had, and may in the future have, an adverse effect on our business, financial condition and results of operations. Generally, increases in interest rates adversely affect the ability of our Network Lenders to close loans, and adverse economic trends limit the ability of our Network Lenders to offer home loans other than low-margin conforming loans. Our businesses may experience a decline in demand for their offerings due to decreased consumer demand as a result of the conditions described above, now or in the future. Conversely, during periods with decreased interest rates, Network Lenders have less incentive to use our marketplaces, or in the case of sudden increases in consumer demand, our Network Lenders may lack the ability to support sudden increases in volume.

***We depend on relationships with Network Lenders and any adverse changes in these relationships could adversely affect our business, financial condition and results of operations.***

Our success depends in significant part on the financial strength of lenders participating on our marketplaces and continuing relationships with such lenders. Network Lenders could, for any reason, experience financial difficulties and cease participating on our lender marketplace, fail to pay match and/or closing fees when due and/or drop the quality of their services to consumers. We could also have commercial or other disputes with such Network Lenders from time to time. The occurrence of one or more of these events with a significant number of Network Lenders could, alone or in combination, have a material and adverse effect on our business, financial condition and results of operations.

***If we fail to meet certain metrics required by Network Lenders, then our business and financial results may be harmed.***

We compete against other online marketing companies in significant part based on the quality and convertibility of the leads we generate. Network Lenders have expectations as to the quality and conversion rate of the leads that we generate. These expectations sometimes change over time. The leads that we supply to Network Lenders may not meet the expectations that Network Lenders have for such leads. Conversion rates for leads may be impacted by factors other than the lead quality, many of which are outside our control. Such factors include competition in lending markets and sales practices of Network Lenders. Failure to meet the expectations of Network Lenders in terms of quality and convertibility of leads may result in reduced fees paid to us by such Network Lenders, or in extreme cases, the loss of one or more Network Lenders, which could materially and adversely affect our business, financial condition and results of operations.

***Failure to maintain brand recognition and attract and retain consumers in a cost-effective manner could materially and adversely affect our business, financial condition and results of operations.***

In order to attract visitors to our websites, convert these visitors into loan requests for our Network Lenders and lead purchasers and generate repeat visits from consumers, our businesses must promote and maintain their various brands. Brand promotion and maintenance requires the expenditure of considerable money and resources for online and offline advertising, marketing and related efforts, as well as the continued provision and introduction of high-quality products and services.

Brand recognition is a key differentiating factor among providers of online services. We believe that continuing to build and maintain the recognition of our various brands is critical to achieving increased demand for the services provided by our businesses. Accordingly, we have spent, and expect to continue to spend, significant amounts on, and devote significant resources to, branding, advertising and other marketing initiatives, which may not be successful or cost-effective. The failure of our businesses to maintain the recognition of their respective brands and attract and retain consumers in a cost-effective manner could materially and adversely affect our business, financial condition and results of operations.

Adverse publicity from legal proceedings against us or our businesses, including governmental proceedings and consumer class action litigation, or from the disclosure of information security breaches, could negatively impact our various brands, which could materially and adversely affect our business, financial condition and results of operations. In addition, the actions of our third-party marketing partners who engage in advertising on our behalf could negatively impact our various brands.

***We depend on search engines, online advertising and other online sources to attract visitors to our websites, and if we are unable to attract these visitors and convert them into loan requests for our Network Lenders and lead purchasers in a cost-effective manner, our business and financial results may be harmed.***

Our success depends on our ability to attract online consumers to our websites and convert them into customers in a cost-effective manner. We depend, in part, on search engines, online advertising and other online sources for our website traffic. We are included in search results as a result of both paid search listings, where we purchase specific search terms that result in the inclusion of our advertisement, and, separately, organic searches, that depend upon the searchable content on our sites. Search engines and other online sources revise their algorithms, and introduce new advertising products, from time to time in an attempt to optimize their search results.

If one or more of the search engines or other online sources on which we rely for website traffic were to modify its general methodology for how it displays our websites, resulting in fewer consumers clicking through to our websites, our business could suffer. If any free search engine traffic on which we rely begins charging fees for listing or placement, or if one or more of the search engines or other online sources on which we rely for purchased listings, modifies or terminates its relationship with us, our expenses could rise, we could lose customers, and traffic to our websites could decrease, all of which could have a material and adverse effect on our business, financial condition and results of operations. In addition, if our online advertisements are not able to reach certain consumers due to consumers' use of ad-blocking software, our business could suffer.

***We compete with a number of other online marketing companies, and we face the possibility of new competitors.***

We currently compete with a number of other online marketing companies and we expect that competition will intensify. Some of these existing competitors may have more capital or complementary products or services than we do, and they may leverage their greater capital or diversification in a manner that adversely affects our competitive position, including by making strategic acquisitions. In addition, new competitors may enter the market and may be able to innovate and bring products and services to market faster, or anticipate and meet consumer or Network Lender demand before we do. Other newcomers, including major search engines and content aggregators, may be able to leverage their existing products and services to our disadvantage. We may be forced to expend significant resources to remain competitive with current and potential competitors. If any of our competitors are more successful than we are at attracting and retaining customers or Network Lenders, our business, financial condition and results of operations could be materially and adversely affected.

***Our success depends, in part, on the integrity of our systems and infrastructures. System interruption and the lack of integration and redundancy in these systems and infrastructures may have a material and adverse impact on our business, financial condition and results of operations.***

Our success depends, in part, on our ability to maintain the integrity of our systems and infrastructures, including websites, information and related systems, call centers and distribution and fulfillment facilities. System interruption and the lack of integration and redundancy in our information systems and infrastructures may materially and adversely affect our ability to operate websites, process and fulfill transactions, respond to customer inquiries and generally maintain cost-efficient operations. We may experience occasional system interruptions that make some or all systems or data unavailable or prevent our businesses from efficiently providing services or fulfilling orders. We also rely on affiliate and third-party computer systems, broadband and other communications systems and service providers in connection with the provision of services generally, as well as to facilitate, process and fulfill transactions. Any interruptions, outages or delays in our systems and infrastructures, our businesses, our affiliates and/or third parties, or deterioration in the performance of these systems and infrastructures, could impair the ability of our businesses to provide services, fulfill orders and/or process transactions. Fire, flood, power loss, telecommunications failure, hurricanes, tornadoes, earthquakes, acts of war or terrorism, acts of God, unauthorized intrusions or computer viruses, and similar events or disruptions may damage or interrupt computer, broadband or other communications systems and infrastructures at any time. Any of these events could cause system interruption, delays and loss of critical data, and could prevent our businesses from providing services, fulfilling orders and/or processing transactions. While our businesses have backup systems for certain aspects of their operations, these systems are not fully redundant and disaster recovery planning is not sufficient for all eventualities. In addition, we may not have adequate insurance coverage to compensate for losses from a major interruption. If any of these events were to occur, it could materially and adversely affect our business, financial condition and results of operations.

We are also in the process of transitioning our mortgage exchange to a new technology platform. The risks associated with this transition include, but are not limited to, operational implementation, downtimes, and diversion of management and technical

resources. If the transition to the new platform is more challenging or time consuming than expected, then our business, financial condition and results of operations could be materially and adversely affected.

***Breaches or failures of our network security controls, the misappropriation or misuse of personal consumer information, the occurrence of fraudulent activity, or cybersecurity-related incidents may have a material and adverse impact on our business, financial condition and results of operations.***

Any penetration of network security or other misappropriation or misuse of personal consumer information maintained by us or our third-party marketing partners could cause interruptions in the operations of our businesses and subject us to increased costs, litigation and other liabilities. Claims could also be made against us or our third-party marketing partners for other misuse of personal information, such as for unauthorized purposes or identity theft, which could result in litigation and financial liabilities, as well as administrative action from governmental authorities. Real or perceived security breaches could also significantly damage our reputation with consumers and third parties with whom we do business.

We may be required to expend significant capital and other resources to protect against and remedy any potential or existing security breaches and their consequences. We also face risks associated with security breaches affecting third parties with whom we are affiliated or otherwise conduct business with online. Consumers are generally concerned with security and privacy of the Internet, and any publicized security problems affecting our businesses and/or those of third parties may discourage consumers from doing business with us, which could have a material and adverse effect on our business, financial condition and results of operations.

We are susceptible to fraudulent activity and cybersecurity-related incidents that may be committed against us, our Network Lenders or external service providers which may result in financial losses or increased costs to us, disclosure or misuse of our information, misappropriation of assets, privacy breaches litigation or damage to our reputation. Such fraudulent activity may take many forms, including check fraud, fraudulent inducement, electronic fraud, wire fraud, phishing, social engineering and other dishonest acts, any of which could be the result of a circumvention or failure of our internet-technology security controls. Information security breaches and cybersecurity-related incidents may include fraudulent or unauthorized access to systems used by us, Network Lenders, or external service providers, denial or degradation of service attacks, and malware or other cyber-attacks. We rely on a framework of internal controls designed to protect our information and assets, but despite our efforts to ensure the integrity of our systems, it is possible that we may not be able to anticipate or implement effective preventative measures against all security breaches and fraudulent activity, especially because the methods of attack and deception change frequently and because such conduct can originate from a wide variety of sources, including third parties such as external service providers. As a result, our business, financial condition or results of operations could be adversely affected.

***Litigation and indemnification of secondary market purchasers could have a material and adverse effect on our business, financial condition, results of operations and liquidity.***

In connection with the sale of loans to secondary market purchasers, Home Loan Center, Inc. ("HLC") may be liable for certain indemnification, repurchase and premium repayment obligations. For example, in connection with the sale of loans to secondary market purchasers, HLC made certain representations regarding related borrower credit information, loan documentation and collateral. To the extent that these representations were incorrect, HLC may be required to repurchase loans or indemnify secondary market purchasers for losses due to borrower defaults. HLC has made payments for these liabilities in the past and expects to make payments for these liabilities in the future.

We continue to be liable for these indemnification obligations, repurchase obligations and premium repayment obligations following the sale of substantially all of the operating assets of our LendingTree Loans business. We have in the past and intend to continue to negotiate in the future with secondary market purchasers to settle any existing and future contingent liabilities, but we cannot assure you we will be able to do so on terms acceptable to us, or at all. The occurrence of indemnification claims, repurchase obligations or premium repayments beyond our reserves for these contingencies, or our inability to settle with secondary market purchasers, may have a material and adverse effect on our business, financial condition and results of operations.

***Difficult market conditions have adversely affected the mortgage industry.***

Declines in the housing market from 2006 through early 2012, as measured by the S&P/Case-Schiller 20-city composite home price index, with home price declines and increased foreclosures, unemployment and under-employment, negatively impacted the credit performance of mortgage loans and resulted in significant write-downs of asset values by financial institutions, including government-sponsored entities as well as major commercial and investment banks. These write-downs, initially of mortgage-backed securities but subsequently of other asset-backed securities, credit default swaps and other derivative and cash securities, in turn, caused many financial institutions to seek additional capital, merge with larger and stronger institutions and, in some cases, to fail.

Reflecting concern about the stability of the housing markets generally and the strength of counterparties, many lenders and institutional investors reduced or ceased providing funding to borrowers, including to other financial institutions. This market disruption and tightening of credit led to an increased level of commercial and consumer delinquencies, lack of consumer confidence and increased market volatility. The resulting economic pressure on consumers and lack of confidence in the financial markets has had in the past and may have in the future, an adverse effect on our business, financial condition and results of operations.

While conditions in the housing markets have improved since 2013, the failure to sustain such improvements could have adverse effects on us and our Network Lenders. Further, our business could be adversely affected by the actions and commercial soundness of other businesses in the financial services sector. As a result, defaults by, or even rumors or questions about, one or more of these entities, or the financial services industry generally, have in the past, and may in the future, lead to market-wide liquidity problems and could lead to disruptions in the mortgage industry. Any such disruption could have a material and adverse effect on our business, financial condition and results of operations.

***A significant portion of our revenue growth in 2017 has been driven by our credit card product through our acquisition of CompareCards, which was completed in November 2016.***

The CompareCards acquisition poses risks for our ongoing operations, including, among others:

- adverse conditions in the economy may affect credit card issuers and their willingness to issue new credit;
- credit losses among credit card issuers may increase beyond normal and budgeted levels which could cause a reduction in demand;
- credit card issuers and other advertisers in the business verticals in which we or CompareCards operate may be unwilling to advertise on our or CompareCards's websites or mobile applications;
- changes in application approval rates by credit card issuer customers;
- increased competition and its effect on our or CompareCards's website traffic, click-through rates, advertising rates, revenue, margins, and market share;
- ability to provide competitive service to credit card issuers and to consumers using CompareCards' and our online offerings and other platforms;
- credit card issuers may determine that the online digital marketing channel is no longer a viable marketing platform for generating new credit card customers;
- our ability to maintain brand recognition for both us and CompareCards and to effectively leverage the LendingTree brand with the CompareCards brand;
- our ability to develop new products and services and enhance existing ones;
- our ability to retain key employees of CompareCards;
- costs and expenses associated with any undisclosed or potential liabilities;
- that the business acquired in the acquisition may not continue to perform as well as anticipated; and
- assumed liabilities associated with CompareCards' historical operations, including as a result of privacy regulations or data breaches.

If the CompareCards business is impacted by the risks described above, then our results of operations and future growth prospects could be materially and adversely affected.

***A portion of our revenue growth in recent years has been driven by personal loan offerings. If lenders participating on our marketplace decide to reduce their offerings of personal loans or if such loans become unattractive to consumers because of higher interest rates demanded by lenders, then our results of operations and future growth prospects could be materially and adversely affected.***

We re-launched our personal loan product in the third quarter of 2013. Revenue from personal loan offerings was responsible for a significant portion of the growth in the non-mortgage revenue over the last few years. Revenue from our personal loan product increased \$21.8 million in 2017 from 2016 and \$15.2 million in 2016 from 2015.

Personal loans are unsecured obligations and generally carry shorter terms and smaller loan amounts than mortgages. Because they are unsecured, they are generally riskier assets for lenders than mortgages or other secured loans. Consumer demand for unsecured loans offered on our marketplace is often for refinancing of higher interest credit card debt or for a lower interest alternative to credit card debt for a contemplated larger purchase that would otherwise be purchased with a credit card. Lenders

participating on our marketplace may reduce their willingness to make personal loans at more attractive interest rates than credit card debt and may for that reason, or for any other reason, reduce their demand for personal loan requests generated from our personal loan marketplace. Reasons that lenders might reduce their willingness to make personal loans at attractive interest rates may include regulatory changes, stricter institutional lending criteria, a lack of adequate funding sources or capital for loan originations, or increased borrower default levels, which may occur upon adverse changes in regional, national or global economic conditions. Additionally, lenders may tighten their underwriting standards, making it more difficult for consumers to qualify for personal loans. If lenders participating on our marketplace decide to reduce their offerings of personal loans, tighten their underwriting standards, or if personal loans become unattractive to consumers because of higher interest rates demanded by lenders, then our results of operations and future growth prospects could be materially and adversely affected.

***Network Lenders affiliated with our marketplaces are not precluded from offering products and services outside of our marketplaces, or obtaining products and services from our competitors.***

Because our businesses do not have exclusive relationships with Network Lenders, consumers may obtain loans from these third-party service providers without having to use our marketplaces. Network Lenders can offer loans directly to consumers through their own marketing campaigns or other traditional methods of distribution, such as referral arrangements, physical store-front operations or broker agreements. Network Lenders may also offer loans and services to prospective customers online directly, through one or more online competitors of our businesses, or both. If a significant number of consumers seek loans and services directly from Network Lenders or through our competitors as opposed to through our marketplaces, our business, financial condition and results of operations could be materially and adversely affected.

***Some of our non-mortgage products are new to the market and may fail to achieve or maintain customer acceptance and profitability.***

We have launched new non-mortgage products over the last several years. We do not have as much experience with these new non-mortgage products as with the mortgage products and our other mature non-mortgage products. Accordingly, new non-mortgage products may be subject to greater risks than our more mature products.

The success of new products we may offer will depend on a number of factors, including:

- Implementing, at an acceptable cost, product features offered by our competitors and/or expected by consumers and lenders;
- Market acceptance by consumers and lenders;
- Offerings by current and future competitors;
- Our ability to attract and retain management and other skilled personnel for these businesses;
- Our ability to collect amounts owed to us from third parties;
- Our ability to develop successful and cost-effective marketing campaigns; and
- Our ability to timely adjust marketing expenditures in relation to changes in demand for the underlying products and services offered by our lead purchasers.

Our results of operations may suffer if we fail to successfully anticipate and manage these issues associated with new products.

***If we are unable to continually enhance our products and services and adapt them to technological changes and consumer and lender and/or lead purchaser needs, including the emergence of new computing devices and more sophisticated online services, we may lose market share and revenue and our business could suffer.***

We need to anticipate, develop and introduce new products, services and applications on a timely and cost-effective basis that keep pace with technological developments and changing consumer and customer needs. For example, the number of individuals who access the internet through devices other than a personal computer, such as tablets, mobile telephones, voice assistants, televisions and set-top box devices has increased significantly and this trend is likely to continue. Because each manufacturer or distributor may establish unique technical standards for its devices, our websites may not be functional or viewable on these devices. Additionally, new devices and new platforms are continually being released. Consumers access many traditional web services on mobile devices through applications, or apps.

It is difficult to predict the problems we may encounter in improving our websites' functionality with these alternative devices or developing apps for mobile platforms. If we fail to develop our websites or apps to respond to these or other technological developments and changing consumer and customer needs cost effectively, or if consumers and customers respond negatively to

changes, we may lose market share, which could materially and adversely affect our business, financial condition and results of operations.

***We improve our products and services in ways that forego short-term gains.***

We are constantly striving to improve the user experience for our Network Lenders and consumers who use our websites and applications. Some of our changes may have the effect of reducing our short-term revenue or profitability if we believe that the benefits will ultimately improve our financial performance over the long-term. Any short-term reductions in revenue or profitability could be more severe than we anticipate or these decisions may not produce the long-term benefits that we expect, in which case our business and results of operations could be adversely affected.

***We may fail to adequately protect our intellectual property rights or may be accused of infringing intellectual property rights of third parties.***

We regard our intellectual property rights, including patents, service marks, trademarks and domain names, copyrights, trade secrets and similar intellectual property (as applicable), as critical to our success. Our businesses also rely heavily upon software codes, informational databases and other components that make up their products and services.

We rely on a combination of laws and contractual restrictions with employees, customers, suppliers, affiliates and others to establish and protect these proprietary rights. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use trade secrets or registered intellectual property without authorization which, if discovered, might require legal action to correct. In addition, third parties may independently and lawfully develop substantially similar intellectual properties.

We have generally registered and continue to apply to register, or secure by contract when appropriate, our principal trademarks and service marks as they are developed and used, and reserve and register domain names when and where we deem appropriate. We generally consider the protection of our trademarks to be important for purposes of brand maintenance and reputation. While we vigorously protect our trademarks, service marks and domain names, effective trademark protection may not be available or may not be sought in every country in which products and services are made available, and contractual disputes may affect the use of marks governed by private contract. Similarly, not every variation of a domain name may be available or be registered, even if available. Our failure to protect our intellectual property rights in a meaningful manner or challenges to related contractual rights could result in erosion of brand names and limit our ability to control marketing on or through the Internet using our various domain names or otherwise, which could materially and adversely affect our business, financial condition and results of operations.

We have been granted patents and from time to time we may have patent applications pending with the United States Patent and Trademark Office and various foreign patent authorities for various proprietary technologies and other inventions. The status of any patent involves complex legal and factual questions, and the breadth of claims allowed is uncertain. Accordingly, any patent application filed may not result in a patent being issued, or existing or future patents may not be adjudicated valid by a court or be afforded adequate protection against competitors with similar technology. In addition, third parties may create new products or methods that achieve similar results without infringing upon patents that we own.

Likewise, the issuance of a patent to us does not mean that our processes or inventions will be found not to infringe upon patents or other rights previously issued to third parties.

From time to time, in the ordinary course of business we are subjected to legal proceedings, claims and counterclaims, or threatened legal proceedings, claims or counterclaims, including allegations relating to misappropriation of trade secrets or infringement of the trademarks, copyrights, patents and other intellectual property rights of third parties. In addition, litigation may be necessary in the future to enforce our intellectual property rights, protect trade secrets or to determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could materially and adversely affect our business, financial condition and results of operations. Patent litigation tends to be particularly protracted and expensive.

***Our framework for managing risks may not be effective in mitigating our risk of loss.***

Our risk management framework seeks to mitigate risk and appropriately balance risk and return. We have established processes and procedures intended to identify, measure, monitor and report the types of risk to which we are subject, including credit risk, market risk, liquidity risk, operational risk, legal and compliance risk, and strategic risk. We seek to monitor and control our risk exposure through a framework of policies, procedures and reporting requirements. There may be risks that exist, or that develop in the future, that we have not appropriately anticipated, identified or mitigated. If our risk management framework does not effectively identify or mitigate our risks, we could suffer unexpected losses and could be materially and adversely affected.

***The intended benefits of recent acquisitions may not be realized.***

Our acquisitions pose risks for our ongoing operations, including, among others:



- that senior management's attention may be diverted from the management of daily operations to the integration of the businesses acquired in the acquisition;
- we may be unable to retain key employees of businesses acquired;
- costs and expenses associated with any undisclosed or potential liabilities;
- that the businesses acquired in the acquisition may not perform as well as anticipated;
- adverse conditions in the economy may affect the lenders or customers of the acquired businesses and their willingness to issue new credit;
- advertisers in the business verticals in which we or the acquired businesses operate may be unwilling to advertise on our websites or mobile applications;
- increased competition and its effect on our or the acquired businesses' website traffic, click-through rates, submitted consumer loan requests, advertising rates, revenue, margins, and market share;
- our ability to maintain brand recognition for both us and the acquired businesses and to effectively leverage the LendingTree brand with the newly acquired brands;
- our ability to develop new products and services and enhance existing ones;
- assumed liabilities associated with the historical operations of the acquired businesses, including as a result of privacy regulations or data breaches.

As a result of the foregoing, our acquisitions may not be accretive to us in the near term or at all. Furthermore, if we fail to realize the intended benefits of the business acquired in the acquisition, the market price of our common stock could decline to the extent that the market price reflects an expectation of those benefits.

***Other acquisitions or strategic investments that we pursue may not be successful and could disrupt our business and harm our financial condition.***

We may consider or undertake strategic acquisitions of, or material investments in, businesses, products or technologies. We may not be able to identify suitable acquisition or investment candidates, or even if we do identify suitable candidates, they may be difficult to finance, expensive to fund and there is no guarantee that we can obtain any necessary regulatory approvals or complete such transactions on terms that are favorable to us. To the extent we pay the purchase price of any acquisition or investment in cash or through borrowings under our amended and restated revolving credit facility, it would reduce our cash balances and/or result in indebtedness we must service, which may have a material and adverse effect on our business and financial condition. If the purchase price is paid with our stock, it would be dilutive to our stockholders. In addition, we may assume liabilities associated with a business acquisition or investment, including unrecorded liabilities that are not discovered at the time of the transaction, and the repayment of those liabilities may have a material and adverse effect on our financial condition. There may also be litigation or other claims arising in connection with an acquisition itself.

We may not be able to successfully integrate the personnel, operations, businesses, products or technologies of an acquisition or investment. Integration may be particularly challenging if we enter into a line of business in which we have limited experience and the business operates in a difficult legal, regulatory or competitive environment. We may find that we do not have adequate operations or expertise to manage the new business. The integration of any acquisition or investment may divert management's time and resources from our core business, which could impair our relationships with our current employees, customers and strategic partners and disrupt our operations. Acquisitions and investments also may not perform to our expectations for various reasons, including the loss of key personnel or customers. If we fail to integrate acquisitions or investments or realize the expected benefits, we may lose the return on these acquisitions or investments or incur additional transaction costs and our business and financial condition may be harmed as a result.

***If we fail to manage our growth effectively, our business and results of operations could be harmed.***

We have experienced rapid and significant growth in our headcount and operations, including as a result of acquisitions, which places substantial demand on management and our operational infrastructure. As we continue to grow, we must effectively integrate, develop and motivate a large number of new employees, while maintaining the beneficial aspects of our company culture. If we do not manage the growth of our business and operations effectively, the quality of our services and efficiency of our operations could suffer, which could harm our business and results of operations.

***We rely on the performance of highly skilled personnel and if we are unable to attract, retain and motivate well-qualified employees, our business could be harmed.***

We believe our success has depended, and continues to depend, on the efforts and talents of our management team and our highly skilled employees, including our software engineers, analysts, marketing professionals and sales staff. Our future success depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. The loss of any of our senior management or key employees could materially and adversely affect our ability to build on the efforts they have undertaken and to execute our business plan, and we may not be able to find adequate replacements. We cannot ensure that we will be able to retain the services of any members of our senior management or other key employees. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, our business and results of operations could be harmed.

***Network Lenders and lead purchasers on our marketplaces may not provide competitive levels of service to consumers, which could materially and adversely affect our brands and businesses and their ability to attract consumers.***

The ability of our businesses to provide consumers with a high-quality experience depends, in part, on consumers receiving competitive levels of convenience, customer service, price and responsiveness from Network Lenders and lead purchasers participating on our other marketplaces with whom they are matched. If these providers do not provide consumers with competitive levels of convenience, customer service, price and responsiveness, the value of our various brands may be harmed, the ability of our businesses to attract consumers to our websites may be limited and the number of consumers matched through our marketplaces may decline, which could have a material and adverse effect on our business, financial condition and results of operations.

***A significant portion of our total revenue is derived from two Network Lenders, and our results from operations could be adversely affected and stockholder value harmed if we lose significant business from either of these Network Lenders.***

For the years ended December 31, 2017, 2016 and 2015, one Network Lender accounted for 11% , 15% and 11% of total revenue. For the years ended December 31, 2016 and 2015, another Network Lender accounted for 13% and 12% of total revenue. If either of these significant Network Lenders were to cease purchasing loan requests and we were unable to replace the associated demand, the loss could have a material adverse effect on our results of operations in the short term and potentially also the longer term. Also, if either Network Lender reduces its volume of loan requests for any reason, our business could be adversely affected.

***Our current lack of geographic diversity exposes us to risk.***

Our operations are geographically limited to and dependent upon the economic condition of the United States. As a result of this geographical concentration, we are more vulnerable to downturns or other conditions that affect the US economy. We may choose to expand our operations in order to increase our geographic diversity, and if we do, such expansion would place increased responsibilities on our management, divert resources from other operations and expose us to new risks of foreign operations.

***We have incurred significant operating losses in the past and we may not be able to generate sufficient revenue to be profitable over the long term.***

We have incurred operating losses from continuing operations at times in our history, and although we were profitable in 2015, 2016 and 2017, we have an accumulated deficit of \$708.4 million at December 31, 2017 . If we fail to maintain or grow our revenue and manage our expenses, we may incur significant losses in the future and not be able to maintain profitability.

***U.S. federal income tax reform could adversely affect us.***

On December 22, 2017, President Trump signed into law the Tax Cuts and Jobs Act (TCJA), which legislation significantly reforms the Internal Revenue Code of 1986, as amended. This tax legislation significantly reduced the U.S. statutory corporate tax rate and made other changes that could have a favorable impact on our overall U.S. federal tax liability in a given period. However, the tax legislation also included a number of provisions, including, but not limited to, the limitation or elimination of various deductions or credits (including for interest expense and for performance-based compensation under Section 162(m) of the Internal Revenue Code), the changing of the timing of the recognition of certain income and deductions or their character, and the limitation of asset basis under certain circumstances, that could significantly and adversely affect our U.S. federal income tax position. The legislation also made changes to the tax rules applicable to financial institutions and other entities with which we do business.

We revalued deferred tax assets at December 31, 2017 in light of the changes in the TCJA, and we recorded a net tax expense of \$9.1 million during the fourth quarter of 2017. Our determination of valuation of our deferred tax assets at December 31, 2017 related to the TCJA is provisional and is subject to adjustment during a measurement period of up to one year following the December 2017 enactment of the TCJA, as provided by recent SEC guidance.

The impact of the TCJA and associated anticipated regulations on future years may be material to our consolidated financial statements. For example, we have historically relied extensively on performance-based compensation for our executive officers. The non-deductibility of future performance-based compensation to executive officers, and the expanded definition of “covered employees” whose compensation is subject to Section 162(m) may have material adverse effects on our effective tax rates. In addition, the limitations on the deductibility of interest may affect our anticipated tax benefits for the convertible note and hedge transactions described in Note 11—Debt to the consolidated financial statements included elsewhere in this report. We continue to examine the impact this tax reform legislation may have on our business. The impact of this tax reform on holders of our common stock is uncertain and could be adverse. Similarly, changes in tax laws and regulations that impact our Network Lenders and lead purchasers or the economy generally may also impact our financial condition and results of operations.

In addition, tax laws and regulations are complex and subject to varying interpretations, and any significant failure to comply with applicable tax laws and regulations in all relevant jurisdictions could give rise to substantial penalties and liabilities. Any changes in enacted tax laws (such as the recent U.S. tax legislation), rules or regulatory or judicial interpretations; any adverse outcome in connection with tax audits in any jurisdiction; or any change in the pronouncements relating to accounting for income taxes could materially and adversely impact our effective tax rate, tax payments, financial condition and results of operations.

***Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.***

As of December 31, 2017, we had pre-tax consolidated federal net operating losses (“NOLs”) of \$5.8 million. The federal NOLs will expire in 2030. Our NOLs will be available to offset taxable income (until such NOLs are either used or expire) subject to the limitations found in Internal Revenue Code Sections 382 and 383. In addition, we have state NOLs of approximately \$190.4 million at December 31, 2017, that will expire at various times between 2018 and 2038. If we experience one or more ownership changes in the future as a result of future transactions in our stock, our ability to utilize NOLs could be limited. Our ability to use our NOLs was limited by the TCJA. See “U.S. federal income tax reform could adversely affect us.”

***We will experience costs and risks associated with a two-building office complex we purchased in Charlotte, North Carolina.***

In December 2016, our subsidiary, Rexford Office Holdings, LLC, completed the purchase of two office buildings in Charlotte, North Carolina for an aggregate purchase price of \$23.5 million. We occupy a portion of this space and intend to relocate our corporate headquarters to these buildings at some point in the future. Additionally, we currently lease a portion of this space to other tenants. There are costs and risks associated with owning and leasing real estate that may apply to us in connection with owning and leasing these properties, including:

- real estate taxes and maintenance costs;
- financial difficulties or lease defaults by our tenants;
- tenant turnover and loss of potential tenants to competing landlords;
- actions by competing landlords that may decrease or prevent increases in the occupancy and rental rates of our properties;
- costs of compliance with governmental rules and regulations, including the Americans with Disabilities Act, and zoning laws and potential liability thereunder;
- changes in the cost or availability of adequate insurance, including coverage for mold and asbestos;
- costs associated with environmental conditions or retained liabilities for such conditions;
- less flexibility to move into alternative space or expand into alternative geographic locations than we might have if we leased our primary headquarters;
- costs associated with remodeling the buildings for our corporate headquarters;
- securing required governmental construction, zoning or other approvals and permits;
- management of modifications in the design to the size and scope of the remodeling or other unforeseen engineering problems;
- relocation costs associated with the movement of employees; and
- lost employee productivity resulting from frequent work location changes necessitated by our growth.

Any of these costs and risks may negatively impact our earnings and cause our stock price to decline.

***Our amended and restated revolving credit facility contains financial covenants and other restrictions on our actions, and it could therefore limit our operational flexibility or otherwise adversely affect our financial condition. Failure to comply with the terms of any such facility could impair our rights to the assets that have been pledged as collateral under the facility.***

On November 21, 2017, our wholly-owned subsidiary LendingTree, LLC entered into an amended and restated \$250.0 million five-year senior secured revolving credit facility which matures on November 21, 2022 (the "Revolving Credit Facility"). Borrowings under the Revolving Credit Facility can be used to finance working capital needs, capital expenditures, and general corporate purposes, including to finance permitted acquisitions. We do not currently have any borrowings outstanding under the Revolving Credit Facility.

The Revolving Credit Facility contains a restrictive financial covenant, which limits the total consolidated debt to an EBITDA ratio. In addition, the Revolving Credit Facility contains customary affirmative and negative covenants, including, subject to certain exceptions, restrictions on our ability to, among other things:

- incur additional indebtedness;
- grant liens;
- make loans and investments;
- enter into mergers or make certain fundamental changes;
- make certain restricted payments, including dividends, distributions, stock repurchases or redemptions;
- sell assets;
- enter into transactions with affiliates;
- enter into restrictive transactions;
- enter into sale and leaseback transactions;
- enter into hedging transactions; and
- engage in certain other transactions without the prior consent of the lenders.

The Revolving Credit Facility requires LendingTree, LLC to pledge as collateral, subject to certain customary exclusions, substantially all of its assets, including 100% of its equity in all of its domestic subsidiaries and 66% of the voting equity, and 100% of the non-voting equity, in all of its material foreign subsidiaries (of which there are currently none). The obligations under this facility are unconditionally guaranteed on a senior basis by LendingTree, Inc. and material domestic subsidiaries of LendingTree, LLC, which guaranties are secured by a pledge as collateral, subject to certain customary exclusions, of 100% of each such guarantor's assets, including 100% of each such guarantor's equity in all of its domestic subsidiaries and 66% of the voting equity, and 100% of the non-voting equity, in all of its material foreign subsidiaries (of which there are currently none).

If an event of default occurs or if we otherwise fail to comply with any of the negative or affirmative covenants of the Revolving Credit Facility, the lenders may declare all of the obligations and indebtedness under such facility due and payable. In such a scenario, the lenders could exercise their lien on the pledged collateral, which would have a material adverse effect on our business, operations, financial condition and liquidity. For additional information on the Revolving Credit Facility, *see* Note 11 —Debt, in the notes to the consolidated financial statements included elsewhere in this report.

***If our goodwill or indefinite-lived intangible assets become impaired, we may be required to record a significant charge to earnings.***

Under accounting principles generally accepted in the United States of America ("GAAP"), we review the carrying value of goodwill and indefinite-lived intangible assets on an annual basis as of October 1, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. Factors that may be considered a change in circumstances, indicating that the carrying value of our goodwill or indefinite-lived intangible assets may not be recoverable, include a decline in stock price and market capitalization, reduced future cash flow estimates and slower growth rates in our industry or our customers' industries. We may be required to record a significant charge in our financial statements during a period in which any impairment of our goodwill or indefinite-lived intangible assets is determined, negatively impacting our results of operations.

***Charges to earnings resulting from acquisitions may adversely affect our operating results.***

Under GAAP, when we acquire businesses, we allocate the purchase price to tangible assets and liabilities and identifiable intangible assets acquired at their acquisition date fair values. Any residual purchase price is recorded as goodwill. We also estimate

the fair value of any contingent consideration. Our estimates of fair value are based upon assumptions believed to be reasonable but which are uncertain and involve significant judgments by management. After we complete an acquisition, the following factors could result in material charges and adversely affect our operating results and may adversely affect our cash flows:

- costs incurred to combine the operations of companies we acquire, such as transitional employee expenses and employee retention or relocation expenses;
- impairment of goodwill or intangible assets;
- a reduction in the useful lives of intangible assets acquired;
- impairment of long-lived assets;
- identification of, or changes to, assumed contingent liabilities;
- changes in the fair value of any contingent consideration;
- charges to our operating results due to duplicative pre-merger activities;
- charges to our operating results from expenses incurred to effect the acquisition; and
- charges to our operating results due to the expensing of certain stock awards assumed in an acquisition.

Substantially all of these potential charges would be accounted for as expenses that would decrease our net income and earnings per share for the periods in which those costs are incurred. Charges to our operating results in any given period could differ substantially from other periods based on the timing and size of our acquisitions and the extent of acquisition accounting adjustments.

In particular, we acquired CompareCards in November 2016 for \$80.7 million in cash at closing and contingent consideration payments of up to \$22.5 million for each of 2017 and 2018. We assigned a fair value of the contingent consideration of \$23.1 million. We will reassess this fair value quarterly, and increases or decreases based on the actual performance of CompareCards against the contingent consideration targets or other factors will cause decreases or increases, respectively, in our results of operations. During 2017, we incurred \$21.2 million of contingent consideration expense due to the change in estimated fair value of the earnout payments.

Additionally, we have completed other acquisitions with potential future contingent consideration payments. We will reassess the fair value of our contingent consideration obligations on a quarterly basis and adjustments will be reflected in our results of operations. These quarterly adjustments could have a material adverse effect on our results of operations.

### **Risks Related to Compliance and Regulation**

*Failure to comply with past, existing or new laws, rules and regulations, or to obtain and maintain required licenses, could materially and adversely affect our business, financial condition and results of operations.*

We market and provide services in heavily regulated industries through a number of different channels across the United States. As a result, our businesses have been and remain subject to a variety of statutes, rules, regulations, policies and procedures in various jurisdictions in the United States, which are subject to change at any time. The failure of our businesses to comply with past, existing or new laws, rules and regulations, or to obtain and maintain required licenses, could result in administrative fines and/or proceedings against us or our businesses by governmental agencies and/or litigation by consumers, which could materially and adversely affect our business, financial condition and results of operations and our brand.

Our businesses conduct marketing activities via the telephone, the mail and/or through online marketing channels, which general marketing activities are governed by numerous federal and state regulations, such as the Telemarketing Sales Rule, state telemarketing laws, federal and state privacy laws, the CAN-SPAM Act, the Telephone Consumer Protection Act and the Federal Trade Commission Act and its accompanying regulations and guidelines, among others. Increased regulation by the U.S. Federal Trade Commission ("FTC") and Federal Communications Commission ("FCC") has resulted in restrictions on telephone calls to residential and wireless telephone subscribers.

Additional federal, state and in some instances, local laws regulate secured and unsecured lending activities, which impacts the marketplace, lenders and consumers. These laws generally regulate the manner in which lending and lending-related activities are marketed or made available, including advertising and other consumer disclosures, payments for services and record keeping requirements; these laws include RESPA, the Fair Credit Reporting Act, the Truth in Lending Act, the Equal Credit Opportunity Act, the Fair Housing Act and various state laws. State laws often restrict the amount (and nature) of interest and fees that may be charged by a lender or mortgage broker, or otherwise regulate the manner in which lenders or mortgage brokers operate or advertise.

Failure to comply with applicable laws and regulatory requirements may result in, among other things, revocation of or inability to renew required licenses or registrations, loss of approval status, termination of contracts without compensation, administrative enforcement actions and fines, private lawsuits, including those styled as class actions, cease and desist orders and civil and criminal liability.

Most states require licenses to solicit, broker or make loans secured by residential mortgages and other consumer loans to residents of those states, as well as to operate real estate referral and brokerage services, and in many cases require the licensure or registration of individual employees engaged in aspects of these businesses. Further, as mandated by the federal Secure and Fair Enforcement for Mortgage Licensing Act (the "SAFE Act"), states adopted certain minimum standards for the licensing of individuals involved in mortgage lending or loan brokering. Compliance with these requirements may render it more difficult for us and our Network Lenders to operate or may raise our internal costs or the costs of our Network Lenders, which may be passed on to us through less favorable commercial arrangements. While our businesses have endeavored to comply with applicable requirements, the application of these requirements to persons operating online is not always clear. Moreover, any of the licenses or rights currently held by our businesses or our employees may be revoked prior to, or may not be renewed upon, their expiration. In addition, our businesses or our employees may not be granted new licenses or rights for which they may be required to apply from time to time in the future.

Likewise, states or municipalities may adopt statutes or regulations making it unattractive, impracticable or infeasible for our businesses to continue to conduct business in such jurisdictions. The withdrawal from any jurisdiction due to emerging legal requirements could materially and adversely affect our business, financial condition and results of operations.

Our businesses are also subject to various state, federal and/or local laws, rules and regulations that regulate the amount and nature of fees that may be charged for transactions and incentives, such as rebates, that may be offered to consumers by our businesses, as well as the manner in which these businesses may offer, advertise or promote transactions. For example, RESPA generally prohibits the payment or receipt of referral fees and fee shares or splits in connection with residential mortgage loan transactions, subject to certain exceptions. The applicability of referral fee and fee sharing prohibitions to lenders and real estate providers, including online networks, may have the effect of reducing the types and amounts of fees that may be charged or paid in connection with real estate-secured loan offerings or activities, including mortgage brokerage, lending and real estate brokerage services, or otherwise limiting our and our Network Lenders' ability to conduct marketing and referral activities.

Various federal, state and, in some instances, local, laws also prohibit unfair and deceptive sales practices. We have adopted appropriate policies and procedures to address these requirements (such as appropriate consumer disclosures and call scripting, call monitoring and other quality assurance and compliance measures), but it is not possible to ensure that all employees comply with our policies and procedures at all times.

Compliance with these laws, rules and regulations is a significant component of our internal costs, and new laws, rules and regulations are frequently proposed and adopted, requiring us to adopt new procedures and practices. Changes to existing laws, rules and regulations or changes to interpretation of existing laws, rules and regulations could result in further restriction of activities incidental to our business and could have a material and adverse effect on our business, results of operation and financial condition.

Parties through which our businesses conduct business similarly may be subject to federal and state regulation. These parties typically act as independent contractors and not as agents in their solicitations and transactions with consumers. We cannot ensure that these entities will comply with applicable laws and regulations at all times. Failure on the part of a lender, website operator or other third party to comply with these laws or regulations could result in, among other things, claims of vicarious liability or a negative impact on our reputation and business.

Regulatory authorities and private plaintiffs may allege that we failed to comply with applicable laws, rules and regulations where we believe we have complied. These allegations may relate to past conduct and/or past business operations, such as our discontinued mortgage origination operation (which was subject to various state and local laws, rules and regulations). Even allegations that our activities have not complied or do not comply with all applicable laws and regulations may have a material and adverse effect on our business, financial condition and results of operations. The alleged violation of such laws, rules or regulations may entitle an individual plaintiff to seek monetary damages, or may entitle an enforcing government agency to seek significant civil or criminal penalties, costs and attorneys' fees. Regardless of its merit, an allegation typically requires legal fee expenditures to defend against. We have in the past and may in the future decide to settle allegations of non-compliance with laws, rules and regulations when we determine that the cost of settlement is less than the cost and risk of continuing to defend against an allegation. Settlements may require us to pay monetary fines and may require us to adopt new procedures and practices, which may render it more difficult to operate or may raise our internal costs. The future occurrence of one or more of these events could have a material and adverse effect on our business, financial condition and results of operations.

In response to conditions in the U.S. financial markets and economy, as well as a heightened regulatory and Congressional focus on consumer lending, regulators have increased their scrutiny of the financial services industry, the result of which has included new regulations and guidance. We are unable to predict the long-term impact of this enhanced scrutiny. We are also

unable to predict whether any additional or similar changes to statutes or regulations, including the interpretation or implementation thereof, will occur in the future.

***The collection, processing, storage, use and disclosure of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements or differing views of personal privacy rights.***

In the processing of consumer transactions, our businesses receive, transmit and store a large volume of personally identifiable information and other user data. The collection, sharing, use, disclosure and protection of this information are governed by the privacy and data security policies maintained by us and our businesses. Moreover, there are federal, state and international laws regarding privacy and the storing, sharing, use, disclosure and protection of personally identifiable information and user data. Specifically, personally identifiable information is increasingly subject to legislation and regulations in numerous jurisdictions around the world, the intent of which is to protect the privacy of personal information that is collected, processed and transmitted in or from the governing jurisdiction. In the United States, regulations and interpretations concerning personally identifiable and data security promulgated by state and federal regulators, including the CFPB and FTC, could conflict or give rise to differing views of personal privacy rights. We could be materially and adversely affected if legislation or regulations are expanded to require changes in business practices or privacy policies, or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business, financial condition and results of operations.

Our failure, and/or the failure by the various third-party vendors and service providers with whom we do business, to comply with applicable privacy policies or federal, state or similar international laws and regulations or any compromise of security that results in the unauthorized release of personally identifiable information or other user data could damage the reputation of these businesses, discourage potential users from our products and services and/or result in fines and/or proceedings by governmental agencies and/or consumers, one or all of which could materially and adversely affect our business, financial condition and results of operations.

***Changes in the regulation of the Internet could negatively affect our business.***

Laws, rules and regulations governing Internet communications, advertising and e-commerce are dynamic and the extent of future government regulation is uncertain. Federal and state regulations govern various aspects of our online business, including intellectual property ownership and infringement, trade secrets, the distribution of electronic communications, marketing and advertising, user privacy and data security, search engines and Internet tracking technologies. Future taxation on the use of the Internet or e-commerce transactions could also be imposed. Existing or future regulation or taxation could hinder growth in or negatively impact the use of the Internet generally, including the viability of Internet e-commerce, which could reduce our revenue, increase our operating expenses and expose us to significant liabilities.

***If Network Lenders fail to produce required documents for examination by, or other affiliated parties fail to make certain filings with, state regulators, we may be subject to fines, forfeitures and the revocation of required licenses.***

Some of the states in which our businesses maintain licenses require them to collect various loan documents from Network Lenders and produce these documents for examination by state regulators. While Network Lenders are contractually obligated to provide these documents upon request, these measures may be insufficient. Failure to produce required documents for examination could result in fines, as well as the revocation of our licenses to operate in certain states, which could have a material and adverse effect on our business, financial condition and results of operations.

Regulations promulgated by some states may impose compliance obligations on directors, executive officers, large customers and any person who acquires a certain percentage (for example, 10% or more) of the equity in a licensed entity, including requiring such persons to periodically file financial and other personal and business information with state regulators. If any such person refuses or fails to comply with these requirements, we may be unable to obtain certain licenses and existing licensing arrangements may be jeopardized. The inability to obtain, or the loss of, required licenses could have a material and adverse effect on our business, financial condition and results of operations.

**Risks Related to an Investment in our Common Stock**

***Fluctuations in our operating results, quarter to quarter earnings and other factors may result in significant decreases in the price of our common stock.***

The market price for our common stock has been volatile since our spin-off. In addition, the trading volume in our common stock has fluctuated and may continue to fluctuate, causing significant price variations to occur. As of December 31, 2017, since our spin-off, the price per share of our common stock has fluctuated from an intra-day low of \$1.42 per share to an intra-day high of \$355.80 per share. The market price of our common stock may fluctuate or decline significantly in the future. Some of the

factors that could negatively affect the price of our common stock or result in fluctuations in the price or trading volume of our common stock include:

- variations in our quarterly operating and financial results;
- variations in our projected operating and financial results;
- failure to meet analysts' earnings estimates;
- publication of research reports about us, our Network Lenders or our industry or the failure of securities analysts to cover our common shares or our industry;
- additions or departures of key management personnel;
- adverse market reaction to any indebtedness we may incur or preferred or common shares we may issue in the future;
- changes in our dividend payment policy or failure to execute our existing policy;
- actions by shareholders;
- changes in market valuations of other companies in our industry, including our customers and competitors;
- announcements by us or our competitors of significant contracts, acquisitions, dispositions, strategic partnerships, joint ventures or capital commitments;
- speculation in the press or investment community, including short selling;
- changes or proposed changes in laws or regulations affecting our industry or enforcement of these laws and regulations, or announcements relating to these matters;
- changes in estimated fair value of contingent consideration related to acquisitions; and
- changes in general economic or market conditions.

Recently, and in the past, the stock market has experienced extreme price and volume fluctuations. These market fluctuations could result in extreme volatility in the trading price of our common stock, which could cause a decline in the value of your investment in our common shares. In addition, the trading price of our common stock could decline for reasons unrelated to our business or financial results, including in reaction to events that affect other companies in our industry even if those events do not directly affect us. You should also be aware that price volatility may be greater if the public float and trading volume of our common stock are low. These factors may result in short-term or long-term negative pressure on the value of our common stock.

***If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.***

The trading market for internet marketplace operators and lead-generation companies depends, in part, on the research and reports that securities or industry analysts publish about the industry and specific companies. If one or more analysts covering us currently or in the future fail to publish reports on us regularly, demand for our common stock could decline, which could cause our stock price and trading volume to decline. If one or more recognized securities or industry analysts that cover our company or our industry in the future downgrades our common stock or publishes inaccurate or unfavorable research about our business or industry, our stock price would likely decline.

***Two holders of our common stock own a substantial portion of our outstanding common stock, which concentrates voting control and limits your ability to influence corporate matters.***

As of February 21, 2018, Douglas Lebda, our Chairman and Chief Executive Officer, beneficially owned approximately 20% of our outstanding common stock. Additionally, Mr. Lebda holds restricted stock unit awards representing 9,896 shares and options to purchase a maximum of 748,805 shares that are not included in beneficial ownership because Mr. Lebda does not have the right to acquire them within 60 days. If these restricted stock units were to settle and these options were exercisable, they would represent additional beneficial ownership of approximately 4% of our outstanding common stock. As of February 21, 2018, Liberty Interactive Corporation beneficially owned approximately 26% of our outstanding common stock. Liberty Interactive also has the right to nominate 20% of the total number of directors serving on the board, rounded up. Two of our ten directors, Neal Dermer and Craig Troyer, were nominated by Liberty Interactive.

Therefore, for the foreseeable future, Mr. Lebda and Liberty Interactive will each have influence over our management and affairs and all matters requiring shareholder approval, including the election or removal (with or without cause) of directors and approval of any significant corporate transaction, such as a merger or other sale of us or our assets. The interests of Mr. Lebda or Liberty Interactive may not necessarily align with the interests of our other stockholders. Mr. Lebda or Liberty Interactive could



elect to sell a significant interest in us and you may receive less than the then-current fair market value or the price you paid for your shares as a result of such transaction. This concentrated control could delay, defer or prevent a change of control, merger, consolidation, takeover or other business combination involving us that other stockholders may otherwise support. This concentrated control could also discourage a potential investor from acquiring our common stock and might harm the market price of our common stock.

***Future sales of common stock by our existing stockholders may cause our stock price to fall.***

The market price of our common stock could decline as a result of sales by our existing stockholders in the market, or the perception that these sales could occur. These sales might also make it more difficult for us to sell equity securities at a time and price that we deem appropriate.

We may issue additional shares of our common stock in the future pursuant to current or future equity incentive plans, or in connection with current or future acquisitions or financings. If we were to raise capital in the future by selling shares of our common stock, or securities that are convertible into our common stock or issuing shares of our common stock in a business acquisition, their issuance would have a dilutive effect on the percentage ownership of our stockholders and, depending on the prices at which such shares or convertible securities are sold or issued, on their investment in our common stock and, therefore, could have a material adverse effect on the market prices of our common stock.

Under a registration rights agreement with Liberty Interactive, Liberty Interactive and its permitted transferees are entitled to three demand registrations rights (and unlimited piggyback registration rights) in respect of the shares of our common stock received by Liberty Interactive as a result of the spin-off and other shares of our common stock acquired by Liberty Interactive or its affiliates. These holders will also be permitted to exercise their registration rights in connection with certain hedging transactions that they may enter into in respect of the registrable shares. The presence of additional shares of our common stock trading in the public market, as a result of the exercise of such registration rights, may have an adverse effect on the market price of our securities.

***Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us more difficult, limit attempts by stockholders to replace or remove our management and affect the market price of our common stock.***

Provisions in our certificate of incorporation and bylaws, as amended and restated, may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated articles of incorporation and/or amended and restated bylaws include provisions that:

- Authorize our board of directors to issue, without further action by our stockholders, up to five million shares of undesignated preferred stock, sometimes referred to as "blank check preferred";
- Prohibit cumulative voting in the election of directors;
- Provide that vacancies on our board of directors may be filled only by the affirmative vote of a majority of directors then in office or by the sole remaining director;
- Provide that only our board of directors may change the size of our board of directors;
- Specify that special meetings of our stockholders may be called only by or at the direction of our board of directors or by a person specifically designated with such authority by the board; and
- Prohibit stockholders from taking action by written consent.

The provisions described above may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing our management. These provisions may also have the effect of delaying or preventing a change of control of our company, even if stockholders support such a change of control.

***We do not intend to pay any cash dividends on our common stock in the foreseeable future.***

We have not declared or paid a cash dividend on our common stock during the five most recent fiscal years. We have no current intention to declare or pay cash dividends on our common stock in the foreseeable future. In addition, the Revolving Credit Facility contains certain restrictions on our ability to pay dividends. See Note 11 —Debt, in the notes to the consolidated financial statements included elsewhere in this report. The declaration, payment and amount of future cash dividends, if any, will be at the discretion of our board of directors. As a result, capital appreciation, if any, of our common stock will be the sole source of gain for the foreseeable future for holders of our common stock.

***Our financial results fluctuate as a result of seasonality, which may make it difficult to predict our future performance and may adversely affect our common stock price.***

Our mortgage products business is historically subject to seasonal trends. These trends reflect the general patterns of the mortgage industry and housing sales, which typically peak in the spring and summer seasons. In recent periods, broader cyclical trends in interest rates, as well as the mortgage and real estate markets, have upset the customary seasonal trends. However, seasonal trends may resume and our quarterly operating results may fluctuate. Our non-mortgage products businesses have various seasonality trends which may create further uncertainty in our quarterly operating results. See Item 1. Business—Seasonality included elsewhere in this report for more information. Any of these seasonal trends, or the combination of them, may negatively impact the price of our common stock.

***The conditional conversion feature of the Notes, if triggered, may adversely affect our financial condition and operating results.***

While the conditional conversion feature of the 0.625% Convertible Senior Notes due June 1, 2022 (the “Notes”) is triggered, holders of Notes will be entitled to convert the Notes at any time during specified periods at their option. Because of the trading price of our common stock during the measurement period applicable to the quarter ended December 31, 2017, holders of the Notes became entitled to convert the Notes on January 1, 2018, and will continue to have such right until March 31, 2018. Convertibility for each quarter thereafter will be determined based on whether the last reported sales price of our common stock, for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter, is greater than or equal to 130% of the conversion price under the Notes on each applicable trading day. If so, then the Notes will be convertible during that calendar quarter. The Notes will also be convertible at any time during the five business day period immediately following any five consecutive trading day period in which the trading price per \$1,000 principal amount of Notes for each trading Day of such five trading day period is less than 98% of the product of the last reported sale price of our common stock on each such trading day and the conversion ratio under the Notes, as more fully described in the indenture governing the Notes, which is incorporated by reference as an exhibit to this annual report.

If one or more holders elect to convert their Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

***We may not have the ability to raise the funds necessary to settle conversions of the Notes in cash or to repurchase the Notes upon a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of the Notes.***

Holders of the Notes will have the right to require us to repurchase all or a portion of their Notes upon the occurrence of a fundamental change at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid special interest, if any. We may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of Notes surrendered therefore, or pay cash with respect to Notes being converted if we elect not to issue shares, which could harm our reputation and affect the trading price of our common stock.

***Our hedge and warrant transactions may affect the value of the Notes and our common stock.***

In connection with the pricing of the Notes, we entered into convertible note hedge transactions with certain counterparties. The hedge transactions are generally expected to reduce the potential dilution upon conversion of the Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted Notes, as the case may be. We also entered into warrant transactions with such counterparties. However, the warrant transactions could separately have a dilutive effect to the extent that the market price per share of our common stock exceeds the applicable strike price of the warrants. The initial strike price of the warrants is \$266.39.

In connection with establishing their initial hedge of the hedge and warrant transactions, the counterparties or their respective affiliates may have purchased shares of our common stock and/or entered into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the Notes. In addition, the counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions prior to the maturity of the Notes (and are likely to do so during any observation period related to a conversion of Notes or following any repurchase of Notes by us on any fundamental repurchase date or otherwise). This activity could cause or avoid an increase or a decrease in the market price of our common stock or the Notes.

***The accounting method for convertible debt securities that may be settled in cash, such as the Notes, could have a material effect on our reported financial results.***

In May 2008, the FASB issued FASB Staff Position No. APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash Upon Conversion (Including Partial Cash Settlement), which has subsequently been codified as ASC 470-20, Debt with Conversion and Other Options, which we refer to as ASC 470-20. Under ASC 470-20, an entity must separately account for the liability and equity components of the convertible debt instruments (such as the Notes) that may be settled entirely or partially in cash upon conversion in a manner that reflects the issuer's economic interest cost. The effect of ASC 470-20 on the accounting for the Notes is that the equity component is required to be included in the additional paid-in capital section of stockholders' equity on our consolidated balance sheet, and the value of the equity component would be treated as debt discount for purposes of accounting for the debt component of the Notes. As a result, we will be required to record a greater amount of non-cash interest expense in current periods presented as a result of the amortization of the discounted carrying value of the Notes to their face amount over the term of the Notes. We will report lower net income in our financial results because ASC 470-20 will require interest to include the current period's amortization of the debt discount, which could adversely affect our reported or future financial results, the trading price of our common stock and the trading price of the Notes.

***We may still incur substantially more debt in the future or take other actions which would intensify the risks associated with our debt.***

We and our subsidiaries may be able to incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments, some of which may be secured debt. We are not restricted under the terms of the indenture governing the Notes from incurring additional debt, securing existing or future debt, recapitalizing our debt or taking a number of other actions that are not limited by the terms of the indenture governing the Notes that could have the effect of diminishing our ability to make payments on the Notes when due. Our existing credit facility restricts our ability to incur additional indebtedness, including secured indebtedness, but if the facility matures or is repaid, we may not be subject to such restrictions under the terms of any subsequent indebtedness.

**ITEM 1B. *Unresolved Staff Comments***

Not applicable.

**ITEM 2. *Properties***

Our principal executive offices are currently located in approximately 37,800 square feet of office space in Charlotte, North Carolina under a lease that expires in December 2020. In addition, we have offices located in approximately 9,400 square feet of office space in Burlingame, California under a lease that expires in March 2020 and approximately 13,000 square feet of additional office space in Charlotte, North Carolina under a lease that expires in August 2018. As a result of our acquisitions during 2017 and 2016, we also operate offices in: Charleston, South Carolina; New York City, New York; and Northbrook, Illinois.

In December 2016, we completed the acquisition of two office buildings in Charlotte, North Carolina, with approximately 64,000 and 73,000 square feet of office space, respectively. We partially occupy one building for certain call center operations and intend to utilize one or both buildings in the future as our principal executive offices and any unused space will continue to be occupied by tenants.

**ITEM 3. *Legal Proceedings***

In the ordinary course of business, we are party to litigation involving property, contract, intellectual property and a variety of other claims. The amounts that may be recovered in such matters may be subject to insurance coverage. See Note 13 — Contingencies in the notes to the consolidated financial statements included elsewhere in this report for a discussion of our current and recently settled litigation.

**ITEM 4. *Mine Safety Disclosures***

Not applicable.

**PART II****ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities****General Market Information, Holders and Dividends**

Our common stock is quoted on the Nasdaq Global Select Market under the ticker symbol "TREE". The table below sets forth, for the calendar periods indicated, the high and low intraday sales prices per share for LendingTree common stock as reported on the Nasdaq Stock Market. The stock price information is based on published financial sources.

<b>Year Ended December 31, 2017</b>	<b>High</b>	<b>Low</b>
First Quarter	\$ 130.20	\$ 96.20
Second Quarter	184.05	116.70
Third Quarter	255.00	166.85
Fourth Quarter	355.80	217.70

<b>Year Ended December 31, 2016</b>	<b>High</b>	<b>Low</b>
First Quarter	\$ 100.19	\$ 52.11
Second Quarter	106.82	64.07
Third Quarter	112.00	87.50
Fourth Quarter	110.10	75.05

As of February 21, 2018, there were approximately 710 holders of record of our common stock and the closing price of the common stock was \$371.25.

We have not declared a cash dividend on our common stock during the five most recent fiscal years. We have no current intention to declare or pay cash dividends on our common stock in the foreseeable future. The declaration, payment and amount of future cash dividends, if any, will be at the discretion of our board of directors. The amended and restated revolving credit facility we entered into on November 21, 2017 contains contractual restrictions on our ability to pay dividends. See Note 11 —Debt, in the notes to the consolidated financial statements included elsewhere in this report for additional information.

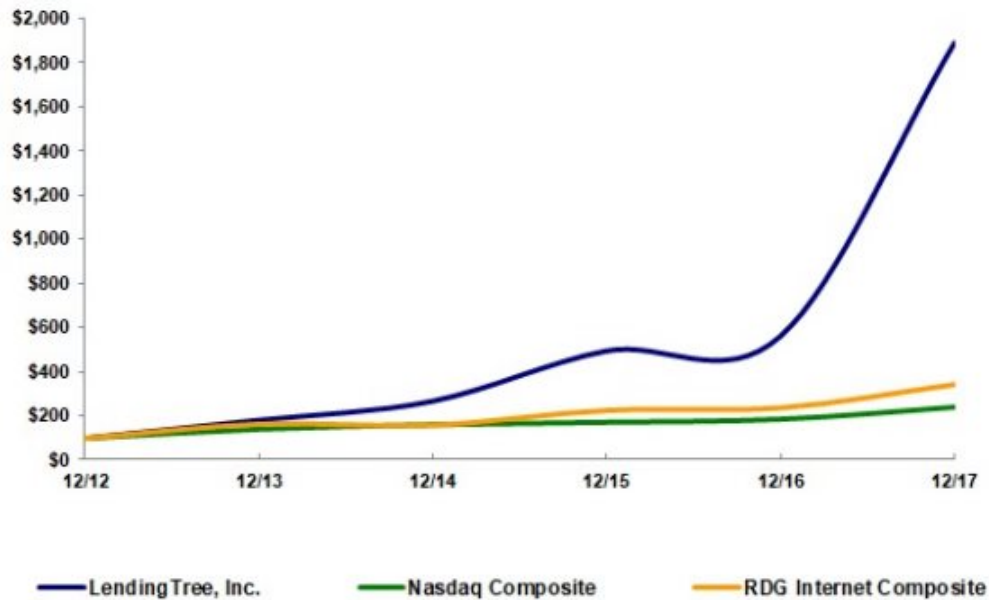
**Performance Graph**

*The performance graph shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or incorporated by reference into any filings under the Securities Act or the Exchange Act, except as otherwise expressly set forth by specific reference in such filing.*

Set forth below is a line graph, for the period from December 31, 2012 through December 31, 2017, comparing the cumulative total stockholder return of \$100 invested (assuming that all dividends were reinvested) in (1) our common stock, (2) the cumulative return of all companies listed on the Nasdaq Composite Index and (3) the cumulative total return of the Research Development Group ("RDG") Internet index. Returns over the indicated periods should not be considered indicative of future stock prices or stockholder returns.

### COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\*

Among LendingTree, Inc., the Nasdaq Composite Index  
and the RDG Internet Composite Index



\*\$100 invested on 12/31/12 in stock or index, including reinvestment of dividends.  
Fiscal year ending December 31.

#### Unregistered Sales of Equity Securities and Use of Proceeds

During the year ended December 31, 2017, we did not issue or sell any shares of our common stock or other equity securities in transactions that were not registered under the Securities Act.

#### Issuer Purchases of Equity Securities

In each of January 2010, May 2014, January 2016, February 2016 and February 2018, the board of directors authorized and we announced a stock repurchase program which allowed for the repurchase of up to \$10.0 million, \$10.0 million, \$50.0 million, \$40.0 million and \$100.0 million, respectively, of our common stock. Under this program, we can repurchase stock in the open market or through privately-negotiated transactions. We have used available cash to finance these repurchases. We will determine the timing and amount of any additional repurchases based on our evaluation of market conditions, applicable SEC guidelines and regulations, and other factors. This program may be suspended or discontinued at any time at the discretion of our board of directors. During the quarter ended December 31, 2017, 33,240 shares of common stock were repurchased under the stock repurchase program. As of February 21, 2018, approximately \$116.7 million is authorized for future share repurchases.

Additionally, the LendingTree Fifth Amended and Restated 2008 Stock and Award Incentive Plan and the LendingTree 2017 Inducement Grant Plan allow employees to forfeit shares of our common stock to satisfy federal and state withholding obligations upon the exercise of stock options, the settlement of restricted stock unit awards and the vesting of restricted stock awards granted to those individuals under the plans. During the quarter ended December 31, 2017, 2,233 shares were purchased related to these obligations under the LendingTree Fifth Amended and Restated 2008 Stock and Award Incentive Plan and no shares have yet been purchased related to these obligations under the LendingTree 2017 Inducement Grant Plan. The withholding of those shares does not affect the dollar amount or number of shares that may be purchased under the stock repurchase program described above.

The following table provides information about the Company's purchases of equity securities during the quarter ended December 31, 2017 .

<b>Period</b>	<b>Total Number of Shares Purchased <sup>(1)</sup></b>	<b>Average Price Paid per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(2)</sup></b>	<b>Maximum Number/Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs</b>
				<i>(in thousands)</i>
10/1/17 - 10/31/17	206	\$ 228.35	—	\$ 38,747
11/1/17 - 11/30/17	1,104	\$ 264.58	—	\$ 38,747
12/1/17 - 12/31/17	34,163	\$ 330.47	33,240	\$ 27,749
<b>Total</b>	<b>35,473</b>	<b>\$ 327.82</b>	<b>33,240</b>	<b>\$ 27,749</b>

(1) During October 2017, November 2017 and December 2017, 206 shares, 1,104 shares and 923 shares, respectively (totaling 2,233 shares), were purchased to satisfy federal and state withholding obligations of our employees upon the settlement of restricted stock unit awards and the vesting of restricted stock awards, all in accordance with our Fifth Amended and Restated 2008 Stock and Award Incentive Plan, as described above.

(2) See the narrative disclosure above the table for further description of our publicly announced stock repurchase program.

**ITEM 6. Selected Financial Data**

The summary financial data presented below represents portions of our consolidated financial statements and are not complete. The following financial information should be read in conjunction with Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and notes thereto contained in Item 8. Financial Statements and Supplementary Data included elsewhere in this annual report. Historical results are not necessarily indicative of future performance or results of operations.

	Year Ended December 31,				
	2017	2016	2015	2014	2013
	<i>(in thousands, except per share amounts)</i>				
<b>Results of Operations:</b>					
Revenue <sup>(1)</sup>	\$ 617,736	\$ 384,402	\$ 254,216	\$ 167,350	\$ 139,240
Income (loss) from continuing operations <sup>(2)</sup>	19,418	31,208	51,316	(487)	(673)
(Loss) income from discontinued operations <sup>(3)</sup>	(3,840)	(3,714)	(3,269)	9,849	4,620
Net income and comprehensive income	\$ 15,578	\$ 27,494	\$ 48,047	\$ 9,362	\$ 3,947
<b>Weighted average shares outstanding:</b>					
Basic	11,945	11,812	11,516	11,188	11,035
Diluted	13,682	12,773	12,541	11,188	11,035
<b>Income (loss) per share from continuing operations:</b>					
Basic	\$ 1.63	\$ 2.64	\$ 4.46	\$ (0.04)	\$ (0.06)
Diluted	\$ 1.42	\$ 2.44	\$ 4.09	\$ (0.04)	\$ (0.06)
<b>(Loss) income per share from discontinued operations:</b>					
Basic	\$ (0.32)	\$ (0.31)	\$ (0.28)	\$ 0.88	\$ 0.42
Diluted	\$ (0.28)	\$ (0.29)	\$ (0.26)	\$ 0.88	\$ 0.42
<b>Net income per share:</b>					
Basic	\$ 1.30	\$ 2.33	\$ 4.17	\$ 0.84	\$ 0.36
Diluted	\$ 1.14	\$ 2.15	\$ 3.83	\$ 0.84	\$ 0.36
Cash dividend per share	\$ —	\$ —	\$ —	\$ —	\$ —
<b>Financial Position:</b>					
Cash and cash equivalents <sup>(4) (5) (6) (7) (8)</sup>	\$ 368,550	\$ 91,131	\$ 206,975	\$ 86,212	\$ 91,667
Total assets <sup>(4) (7)</sup>	\$ 693,459	\$ 323,427	\$ 295,781	\$ 139,891	\$ 152,644
Total long-term liabilities <sup>(5) (7) (8)</sup>	\$ 251,069	\$ 25,285	\$ 612	\$ 4,889	\$ 5,437
Total shareholders' equity <sup>(4) (7)</sup>	\$ 294,874	\$ 231,435	\$ 241,142	\$ 96,366	\$ 87,008

- (1) See ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations for the Years Ended December 31, 2017, 2016 and 2015—Revenue for a discussion of revenue.
- (2) In 2015, we released the majority of the valuation allowance, which, along with federal and state income taxes, resulted in a total tax benefit of \$23.0 million. See Note 10 —Income Taxes in the notes to the consolidated financial statements included elsewhere in this report for additional information.
- (3) See ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations for the Years Ended December 31, 2017, 2016 and 2015—Discontinued Operations for a discussion of discontinued operations.
- (4) In November 2015, we completed an equity offering of 852,500 shares of our common stock, receiving net proceeds of \$91.5 million.
- (5) In November 2016, we acquired CompareCards for \$80.7 million in cash at closing and contingent consideration payments of up to \$22.5 million for each of 2017 and 2018. Total long-term liabilities at the end of 2016 included the fair value of the contingent consideration of \$23.1 million. This fair value is reassessed quarterly. During 2017, we recorded \$21.2

million of contingent consideration expense due to the change in estimated fair value of the earnout payments. *See* Note 6 —Business Acquisitions in the notes to the consolidated financial statements included elsewhere in this report for additional information.

- (6) In December 2016, we acquired two office buildings in Charlotte, North Carolina for \$23.5 million in cash. *See* Note 4 —Property and Equipment in the notes to the consolidated financial statements included elsewhere in this report for additional information.
- (7) In May 2017, we issued \$300.0 million aggregate principal amount of our 0.625% Convertible Senior Notes due June 1, 2022 and, in connection therewith, entered into Convertible Note Hedge and Warrant transactions with respect to our common stock. For more information, *see* Note 11—Debt, in the notes to the consolidated financial statements included elsewhere in this report.
- (8) In June 2017, we acquired DepositAccounts for \$24.0 million in cash at closing and contingent consideration payments of up to \$9.0 million, and acquired MagnifyMoney for \$29.6 million in cash at closing. In September 2017, we acquired SnapCap for \$11.9 million in cash at closing and up to three additional contingent consideration payments, each ranging from zero to \$3.0 million. Total long-term liabilities at the end of 2017 included the fair value of DepositAccounts non-current contingent consideration of \$4.3 million and the fair value of SnapCap contingent consideration of \$7.0 million.



## **ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our consolidated financial statements and accompanying notes included elsewhere within this report. This discussion includes both historical information and forward-looking information that involves risks, uncertainties and assumptions. Our actual results may differ materially from management's expectations as a result of various factors, including but not limited to those discussed in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Information."

### **Company Overview**

LendingTree, Inc. is the parent of LendingTree, LLC and several companies owned by LendingTree, LLC.

LendingTree operates what we believe to be the leading online loan marketplace for consumers seeking loans and other credit-based offerings. Our online marketplace provides consumers with access to product offerings from our Network Lenders, including mortgage loans, home equity loans and lines of credit, reverse mortgage loans, auto loans, credit cards, deposit accounts, personal loans, student loans, small business loans and other related offerings. In addition, we offer tools and resources, including free credit scores, that facilitate comparison shopping for these loans, deposits and other credit-based offerings. We seek to match consumers with multiple lenders, who can provide them with competing quotes for the product they are seeking. We also serve as a valued partner to lenders seeking an efficient, scalable and flexible source of customer acquisition with directly measurable benefits, by matching the consumer inquiries we generate with these lenders.

Our My LendingTree platform offers a personalized loan comparison-shopping experience by providing free credit scores and credit score analysis. This platform enables us to observe consumers' credit profiles and then identify and alert them to loan and other credit-based opportunities on our marketplace that may be more favorable than the loans they may have at a given point in time. This is designed to provide consumers with measurable savings opportunities over their lifetimes.

In addition to operating our core mortgage business, we are focused on growing our non-mortgage lending businesses and developing new product offerings and enhancements to improve the experiences that consumers and lenders have as they interact with us. By expanding our portfolio of loans and other product offerings, we are growing and diversifying our business and sources of revenue. We intend to capitalize on our expertise in performance marketing, product development and technology, and to leverage the widespread recognition of the LendingTree brand to effect this strategy.

We believe the consumer and small business financial services industry is in the early stages of a fundamental shift to online product offerings, similar to the shift that started in retail and travel many years ago and is now well established. We believe that like retail and travel, as consumers continue to move towards online shopping and transactions for financial services, suppliers will increasingly shift their product offerings and advertising budgets toward the online channel. We believe the strength of our brands and of our lender network place us in a strong position to continue to benefit from this market shift.

The LendingTree Loans business is presented as discontinued operations in the accompanying consolidated balance sheets, consolidated statements of operations and comprehensive income and consolidated cash flows for all periods presented. Except for the discussion under the heading "Discontinued Operations," the analysis within Management's Discussion and Analysis of Financial Condition and Results of Operations reflects our continuing operations.

### **Convertible Senior Notes and Hedge and Warrant Transactions**

On May 31, 2017, we issued \$300.0 million aggregate principal amount of our 0.625% Convertible Senior Notes due June 1, 2022 and, in connection therewith, entered into Convertible Note Hedge and Warrant transactions with respect to our common stock. For more information, *see* Note 11—Debt, in the notes to the consolidated financial statements included elsewhere in this report.

### **Recent Business Acquisitions**

On September 19, 2017, we acquired certain assets of Snap Capital LLC, which does business under the name SnapCap for \$11.9 million in cash at closing and contingent consideration payments of up to \$9.0 million through March 31, 2020. SnapCap is a tech-enabled online platform, which connects business owners with lenders offering small business loans, lines of credit and merchant cash advance products through a concierge-based sales approach. We believe that by combining SnapCap's high-touch, high-conversion sales approach with our brand and performance marketing expertise, we can derive substantial revenue synergies and accelerate growth in our small business offering.

On June 20, 2017, we acquired the membership interests of Camino Del Avion (Delaware), LLC, which does business under the name MagnifyMoney for \$29.6 million cash consideration at the closing of the transaction. MagnifyMoney is a leading consumer-facing media property that offers editorial content, expert commentary, tools and resources to help consumers compare

financial products and make informed financial decisions. The MagnifyMoney team brings the expertise and infrastructure to expand content creation and distribution across all of our consumer facing brands, improving our presence and efficacy in acquisition channels such as search engine optimization.

On June 14, 2017, we acquired substantially all of the assets of Deposits Online, LLC, which does business under the name DepositAccounts.com (“DepositAccounts”) for \$24.0 million in cash at closing and contingent consideration payments of up to \$9.0 million through June 30, 2020. DepositAccounts is a leading consumer-facing media property in the depository industry and is one of the most comprehensive sources of depository deals and analysis on the Internet, covering all major deposit product categories through editorial content, programmatic rate tables and user-generated content. This acquisition represents our first offering to address the asset side of the consumer balance sheet.

On November 16, 2016, we acquired Iron Horse Holdings, LLC, which does business under the name CompareCards for \$80.7 million in cash at closing and contingent consideration payments of up to \$22.5 million for each of 2017 and 2018, subject to achieving specific growth targets. CompareCards is a leading online source for side-by-side credit card comparison shopping. CompareCards provides consumers with one centralized location for pertinent credit card information needed to find the best card for their needs. CompareCards’ unique marketing platform and strong relationships with card issuers combined with LendingTree’s scale and organizational support have caused substantial growth in our credit card business.

These acquisitions continue our diversification strategy.

### **Acquisition of North Carolina Office Properties**

In December 2016, we completed the acquisition of two office buildings in Charlotte, North Carolina, for \$23.5 million in cash. We intend to utilize one or both buildings in the future as our principal executive offices, and any unused space will continue to be occupied by tenants.

With our expansion in North Carolina, we received a grant from the state that provides up to \$4.9 million in reimbursements over 12 years for investing in real estate and infrastructure in addition to increasing jobs in North Carolina at specific targeted levels through 2020, and maintaining the jobs thereafter. Additionally, the city of Charlotte and the county of Mecklenburg provided a grant that will be paid over five years and is based on a percentage of new property tax we pay on the development.

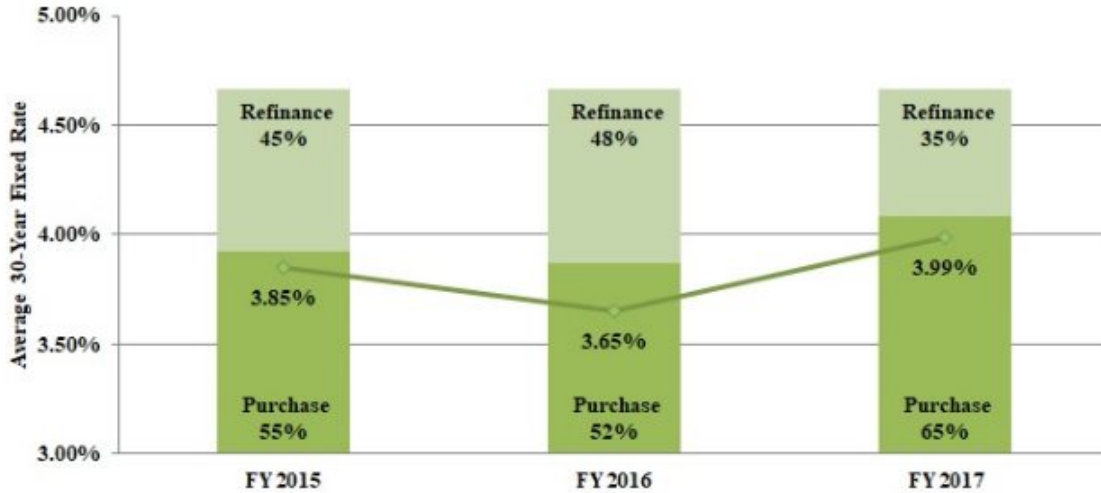
### **Recent Mortgage Interest Rate Trends**

Interest rate and market risks can be substantial in the mortgage lead generation business. Short-term fluctuations in mortgage interest rates primarily affect consumer demand for mortgage refinancings, while long-term fluctuations in mortgage interest rates, coupled with the U.S. real estate market, affect consumer demand for new mortgages. Consumer demand, in turn, affects lender demand for mortgage leads from third-party sources. Typically, a decline in mortgage interest rates will lead to reduced lender demand, as there are more consumers in the marketplace seeking financing and, accordingly, lenders receive more organic lead volume. Conversely, an increase in mortgage interest rates will typically lead to an increase in lender demand, as there are fewer consumers in the marketplace and, accordingly, the supply of organic mortgage lead volume decreases.

According to Freddie Mac, 30-year mortgage interest rates generally increased from a monthly average of 3.67% in January 2015 to 3.96% by the end of 2015. During 2016, 30-year mortgage interest rates declined, reaching an average of 3.44% in August 2016, the lowest monthly average since January 2013. By December 2016, 30-year mortgage interest rates increased to an average of 4.20%. During 2017, 30-year interest rates then declined to a monthly average of 3.81% in September 2017, before increasing to 3.95% at the end of 2017.

On a full-year basis, 30-year mortgage interest rates increased to an average 3.99% in 2017, as compared to 3.65% and 3.85% in 2016 and 2015, respectively.

### HISTORICAL MIX OF MORTGAGE ORIGINATION DOLLARS



Typically, when mortgage interest rates decline, there are more consumers in the marketplace seeking refinancings and, accordingly, the mix of mortgage origination dollars will move towards refinance mortgages. According to Mortgage Bankers Association ("MBA") data, total refinance origination dollars increased from 45% of total 2015 mortgage origination dollars to 48% in 2016, as a result of the general decrease in average mortgage interest rates. Conversely, as average mortgage interest rates increased in 2017 compared to 2016, total refinance origination dollars in 2017 decreased to 35% of total mortgage origination dollars.

Looking forward, MBA is projecting 30-year mortgage interest rates to climb in 2018, to an average 4.8% on 30-year fixed rate mortgages. According to MBA projections, as interest rates climb, the mix of mortgage origination dollars will move towards purchase mortgages with the refinance share representing just 26% for 2018.

#### The U.S. Real Estate Market

The health of the U.S. real estate market and interest rate levels are the primary drivers of consumer demand for new mortgages. Consumer demand, in turn, affects lender demand for purchase mortgage leads from third-party sources. Typically, a strong real estate market will lead to reduced lender demand for leads, as there are more consumers in the marketplace seeking financing and, accordingly, lenders receive more organic lead volume. Conversely, a weaker real estate market will typically lead to an increase in lender demand, as there are fewer consumers in the marketplace seeking mortgages.

According to the National Association of Realtors ("NAR"), nationwide existing home sales in 2015 increased approximately 7% over 2014, equating to the housing market's best year in nearly a decade. While nationwide existing home sales in 2016 grew approximately 3% over 2015, growth in 2017 was 2% over 2016 due to limited inventory of homes for sale in 2017. The NAR expects essentially no change in existing home sales in 2018 from 2017 due to the continued trend of limited supply, but notes the strengthening economy and expectation of more millennials seeking to purchase homes as indicators of solid homebuying demand in 2018.

**Results of Operations for the Years ended December 31, 2017 , 2016 and 2015**

	Year Ended December 31,			2017 vs. 2016		2016 vs. 2015	
	2017	2016	2015	\$ Change	% Change	\$ Change	% Change
	<i>(Dollars in thousands)</i>						
Mortgage products	\$ 275,910	\$ 219,991	\$ 165,272	\$ 55,919	25 %	\$ 54,719	33 %
Non-mortgage products	341,826	164,411	88,944	177,415	108 %	75,467	85 %
<b>Revenue</b>	<b>617,736</b>	<b>384,402</b>	<b>254,216</b>	<b>233,334</b>	<b>61 %</b>	<b>130,186</b>	<b>51 %</b>
Costs and expenses:							
Cost of revenue <i>(exclusive of depreciation and amortization shown separately below)</i>	17,223	13,764	9,370	3,459	25 %	4,394	47 %
Selling and marketing expense	432,784	261,100	172,849	171,684	66 %	88,251	51 %
General and administrative expense	71,541	37,227	30,030	34,314	92 %	7,197	24 %
Product development	17,925	13,761	10,485	4,164	30 %	3,276	31 %
Depreciation	7,085	4,944	3,008	2,141	43 %	1,936	64 %
Amortization of intangibles	12,992	1,243	149	11,749	945 %	1,094	734 %
Change in fair value of contingent consideration	23,931	—	—	23,931	n/a	—	— %
Restructuring and severance	404	122	422	282	231 %	(300)	(71)%
Litigation settlements and contingencies	718	129	(611)	589	457 %	740	121 %
<b>Total costs and expenses</b>	<b>584,603</b>	<b>332,290</b>	<b>225,702</b>	<b>252,313</b>	<b>76 %</b>	<b>106,588</b>	<b>47 %</b>
<b>Operating income</b>	<b>33,133</b>	<b>52,112</b>	<b>28,514</b>	<b>(18,979)</b>	<b>(36)%</b>	<b>23,598</b>	<b>83 %</b>
Other (expense) income, net:							
Interest expense, net	(7,028)	(561)	(171)	(6,467)	1,153 %	(390)	(228)%
Other (expense) income	(396)	23	—	(419)	(1,822)%	23	n/a
<b>Income before income taxes</b>	<b>25,709</b>	<b>51,574</b>	<b>28,343</b>	<b>(25,865)</b>	<b>(50)%</b>	<b>23,231</b>	<b>82 %</b>
Income tax (expense) benefit	(6,291)	(20,366)	22,973	14,075	69 %	(43,339)	(189)%
<b>Net income from continuing operations</b>	<b>19,418</b>	<b>31,208</b>	<b>51,316</b>	<b>(11,790)</b>	<b>(38)%</b>	<b>(20,108)</b>	<b>(39)%</b>
<b>Loss from discontinued operations, net of tax</b>	<b>(3,840)</b>	<b>(3,714)</b>	<b>(3,269)</b>	<b>(126)</b>	<b>(3)%</b>	<b>(445)</b>	<b>(14)%</b>
<b>Net income and comprehensive income</b>	<b>\$ 15,578</b>	<b>\$ 27,494</b>	<b>\$ 48,047</b>	<b>\$ (11,916)</b>	<b>(43)%</b>	<b>\$ (20,553)</b>	<b>(43)%</b>

**Revenue**

Revenue increased in 2017 compared to 2016 due to increases in our non-mortgage products of \$177.4 million and in our mortgage products of \$55.9 million.

Our non-mortgage products include the following non-mortgage lending products: personal loans, credit cards, home equity loans and lines of credit, reverse mortgage loans, auto loans, small business loans and student loans. Our non-mortgage products also include deposit accounts, home improvement referrals and other credit products such as credit repair and debt settlement. Many of our non-mortgage products are not individually significant to revenue. The increase in revenue from our non-mortgage products in 2017 compared to 2016 is primarily due to an increase in our credit cards, home equity, and personal loans products.

Revenue from our credit card product increased \$107.6 million to \$147.0 million in 2017 from \$39.4 million in 2016, or 273%. Revenue from our credit card product increased in 2017 primarily due to the CompareCards acquisition, completed on November 16, 2016.

Revenue from our personal loan product increased \$21.7 million to \$88.2 million in 2017 from \$66.5 million in 2016, or 33%. Revenue from our personal loan product increased in 2017 due to the number of consumers completing request forms as a result of increases in lender demand and corresponding increases in selling and marketing efforts, partially offset by decreases in revenue earned per consumer. Certain of our online personal loan lenders experienced well-publicized challenges in 2016, in particular, general unavailability of capital and increased pricing demanded by investors of personal loans, which in some cases led to reductions in marketing spend, and tightening in underwriting standards.

For 2017 and 2016, no other non-mortgage product represented more than 10% of revenue, however certain other non-mortgage products experienced notable increases. Revenue from our home equity product increased \$28.3 million in 2017 compared to 2016, due to increases in the number of consumers completing request forms as a result of increases in lender coverage and lender demand, corresponding increases in selling and marketing efforts, and increased revenue earned per consumer. We believe the market for our non-mortgage products remains under-penetrated and we believe long-term growth prospects are strong for non-mortgage products. A significant industry-wide contraction in the availability of capital for non-mortgage lending products would likely adversely affect our non-mortgage product revenues. While we expect significant growth in our non-mortgage products in 2018 compared to 2017, we do not anticipate the growth rate will meet the 2017 growth of 108%.

The increase in revenue from our mortgage products in 2017 compared to 2016 is due to an increase in revenue from both our purchase and refinance products. The revenue from our purchase product increased \$33.6 million in 2017 from 2016, while the revenue from our refinance product increased \$22.4 million. The increase in revenue from our mortgage products is primarily due to an increase in revenue earned per consumer. Additionally, the number of consumers completing request forms for mortgage products increased in 2017 from 2016, due to an increase in lender demand and a corresponding increase in selling and marketing efforts. In 2018, we expect more moderate year-over-year growth in mortgage revenue.

Revenue increased in 2016 compared to 2015 due to increases in our non-mortgage products of \$75.5 million and in our mortgage products of \$54.7 million.

The increase in revenue from our non-mortgage products in 2016 compared to 2015 is primarily due to an increase in lenders on our exchange, increased marketing efforts and two business acquisitions. This resulted in an increase in the number of consumers completing request forms for non-mortgage products in 2016.

Revenue from our personal loan product increased \$15.2 million to \$66.5 million in 2016 from \$51.3 million in 2015, or 30%. Revenue from our personal loan product increased in 2016 due to an increase in lenders on our exchange and increased marketing efforts, partially offset by decreases in revenue earned per consumer.

Revenue from our credit card product increased \$29.6 million to \$39.4 million in 2016 from \$9.8 million in 2015, or 302%. Revenue from our credit card product increased in 2016 due to increases in payouts from issuers in addition to increased marketing efforts. Additionally, the CompareCards acquisition, completed on November 16, 2016, increased revenue by \$9.2 million in 2016.

For 2016 and 2015, no other non-mortgage product represented more than 10% of revenue, however certain other non-mortgage products experienced notable increases. Revenue from our home equity product increased \$13.6 million in 2016 compared to 2015, due to an increase in lender coverage and an increase in revenue earned per consumer combined with increased marketing efforts.

The increase in revenue from our mortgage products in 2016 compared to 2015 is primarily due to an increase in revenue from our refinance product. The revenue from our refinance product increased approximately \$50.0 million in 2016 from 2015, primarily due to an increase in lender demand and an increase in marketing efforts. The number of consumers completing a request form for mortgage products increased in 2016 from 2015, partially offset by a decrease in revenue earned per consumer in 2016 compared to 2015.

#### **Cost of revenue**

Cost of revenue consists primarily of costs associated with compensation and other employee-related costs (including stock-based compensation) relating to internally-operated customer call centers, third-party customer call center fees, credit scoring fees, credit card fees, website network hosting and server fees.

Cost of revenue increased in 2017 from 2016, primarily due to increases of \$2.1 million in compensation and benefits as a result of increases in headcount, \$0.9 million in website network hosting and server fees and \$0.8 million in third-party customer call center fees, partially offset by a \$0.7 million decrease in credit scoring fees.

Cost of revenue as a percentage of revenue decreased slightly to 3% in 2017 compared to 4% in 2016.

Cost of revenue increased in 2016 from 2015, primarily due to increases of \$1.3 million in compensation and benefits as a result of increases in headcount, \$0.9 million in credit scoring fees, \$0.7 million in call center technology fees, \$0.6 million in credit card fees and \$0.4 million in lead verification fees.

Cost of revenue as a percentage of revenue remained consistent at 4% in both 2016 and 2015.

## Selling and marketing expense

Selling and marketing expense consists primarily of advertising and promotional expenditures and compensation and other employee-related costs (including stock-based compensation) for personnel engaged in sales or marketing functions. Advertising and promotional expenditures primarily include online marketing, as well as television, print and radio spending. Advertising production costs are expensed in the period the related ad is first run.

The increases in selling and marketing expense in 2017 compared to 2016 and in 2016 compared to 2015 were primarily due to increases in advertising and promotional expense of \$167.6 million and \$84.0 million, respectively, as discussed below. In addition, selling and marketing expense increased in 2017 compared to 2016 and in 2016 compared to 2015 due to an increase in compensation and benefits of \$4.1 million and \$4.3 million, respectively, as a result of increases in headcount.

Advertising and promotional expense is the largest component of selling and marketing expense, and is comprised of the following:

	Year Ended December 31,			2017 vs. 2016		2016 vs. 2015	
	2017	2016	2015	\$ Change	% Change	\$ Change	% Change
	<i>(Dollars in thousands)</i>						
Online	\$ 368,004	\$ 210,635	\$ 127,294	\$ 157,369	75%	\$ 83,341	65%
Broadcast	35,681	28,455	28,066	7,226	25%	389	1%
Other	7,098	4,131	3,863	2,967	72%	268	7%
<b>Total advertising expense</b>	<b>\$ 410,783</b>	<b>\$ 243,221</b>	<b>\$ 159,223</b>	<b>\$ 167,562</b>	<b>69%</b>	<b>\$ 83,998</b>	<b>53%</b>

Revenue is driven by lender demand for our products, which is matched to corresponding consumer loan requests. We adjust our selling and marketing expenditures dynamically in relation to anticipated revenue opportunities in order to ensure sufficient consumer inquiries to profitably meet lender demand. An increase in a product's revenue is generally met by a corresponding increase in marketing spend, and conversely a decrease in a product's revenue is generally met by a corresponding decrease in marketing spend. This relationship exists for both mortgage and non-mortgage products.

We increased our advertising expenditures in 2017 compared to 2016 and in 2016 compared to 2015, in order to generate additional consumer inquiries to meet the increased demand of lenders on our marketplace.

We will continue to adjust selling and marketing expenditures dynamically in relation to anticipated revenue opportunities.

## General and administrative expense

General and administrative expense consists primarily of compensation and other employee-related costs (including stock-based compensation) for personnel engaged in finance, legal, tax, corporate information technology, human resources and executive management functions, as well as facilities and infrastructure costs and fees for professional services.

General and administrative expense increased in 2017 compared to 2016, primarily due to increases in compensation and benefits of \$19.4 million as a result of increases in headcount and long-term equity awards granted to our Chairman and Chief Executive Officer in the third quarter of 2017, which awards have both time and significant performance-based vesting conditions. We granted long-term equity awards to certain members of our leadership team in the fourth quarter of 2017 and expect additional long-term awards to members of our leadership team in the first quarter of 2018. General and administrative expense is expected to increase in future periods due to the non-cash compensation expense related to these grants. This increase in general and administrative expense is expected to result in material reductions in net income from continuing operations in future periods compared to historical periods. For additional information regarding the awards granted to our Chairman and Chief Executive Officer in the third quarter of 2017, see Note 9—Stock-Based Compensation in the notes to the consolidated financial statements included elsewhere in this report. Non-cash compensation expense is excluded from Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"), as discussed below.

Included in general and administrative expense in 2017 was a \$10.0 million charitable contribution to fund the newly formed LendingTree Foundation in the fourth quarter of 2017. This one-time item is excluded from Adjusted EBITDA, as discussed below.

General and administrative expense as a percentage of revenue increased to 12% in 2017 compared to 10% in 2016.

General and administrative expense increased in 2016 compared to 2015, primarily due to increases in compensation and benefits of \$2.0 million as a result of increases in headcount, increases in professional fees of \$3.1 million, increases in travel and entertainment expenses of \$0.8 million, increases in facility expenses of \$0.6 million and increases in other tax expense of \$0.5

million. The increase in professional fees is partially due to an increase in acquisition related expenses of \$0.9 million.

General and administrative expense as a percentage of revenue decreased to 10% in 2016 compared to 12% in 2015.

#### Product development

Product development expense consists primarily of compensation and other employee-related costs (including stock-based compensation) and third-party labor costs that are not capitalized, for employees and consultants engaged in the design, development, testing and enhancement of technology.

Product development expense increased in 2017 compared to 2016 and in 2016 compared to 2015, as we continued to invest in internal development of new and enhanced features, functionality and business opportunities that we believe will enable us to better and more fully serve consumers and lenders.

#### Depreciation

The increases in depreciation expense in 2017 compared to 2016 and in 2016 compared to 2015 were primarily the result of higher investment in internally developed software in recent years, to support the growth of our business.

#### Amortization of intangibles

The increases in amortization of intangibles in 2017 compared to 2016 and in 2016 compared to 2015 were primarily due to intangible assets associated with our business acquisitions in 2017 and 2016.

#### Contingent consideration

During 2017, we recorded \$23.9 million of contingent consideration expense due to an adjustment in the estimated fair value of the earnout payments related to the CompareCards, DepositAccounts and SnapCap acquisitions. The contingent consideration expense for the CompareCards acquisition was \$21.2 million, primarily due to an increased probability of achievement of certain defined earning targets for CompareCards. The contingent consideration expense for the DepositAccounts acquisition was \$2.0 million, primarily due to an increased probability of achievement of certain defined revenue targets for deposits products. The contingent consideration expense for the SnapCap acquisition was \$0.7 million, primarily due to an increased probability of achievement of certain defined earnings targets for SnapCap.

#### Income tax expense

	Year Ended December 31,		
	2017	2016	2015
	<i>(in thousands, except percentages)</i>		
Income tax (expense) benefit	\$ (6,291)	\$ (20,366)	\$ 22,973
Effective tax rate	24.5%	39.5%	(81.1)%

For 2017, the effective tax rate varied from the statutory rate of 35% primarily due to the benefit derived from excess tax deductions from the vesting of restricted stock and exercise of stock options of \$12.9 million, including state taxes, and the federal tax research credit. Additionally, during the fourth quarter of 2017, a net tax expense of \$9.1 million was recorded related to the enactment of the Tax Cuts and Jobs Act ("TCJA"). The expense is primarily related to the remeasurement of deferred tax assets and liabilities considering the TCJA's newly enacted tax rates and certain other impacts. Our determination of valuation of deferred tax assets and liabilities at December 31, 2017 related to the TCJA is provisional and is subject to adjustment during a measurement period of up to one year following the December 2017 enactment of the TCJA, as provided by recent SEC guidance.

For 2016, the effective tax rate varied from the statutory rate of 35% primarily due to the benefit derived from the federal research tax credit, partially offset by state taxes, including the impact of a reduction in the North Carolina state income tax rate which reduced the value of our deferred tax assets. The federal research tax credit benefit is the result of a study completed during the second quarter for the open tax years of 2011 through 2015, plus an estimate of the benefit from current research activities.

For 2015, the effective tax rate varied from the statutory rate of 35% primarily due to the reversal of the federal and partial reversal of the state valuation allowance set up in prior years against our deferred tax assets, partially offset by state taxes.

## **Discontinued Operations**

On June 6, 2012, we sold substantially all of the operating assets of our LendingTree Loans business for approximately \$55.9 million in cash to a wholly-owned subsidiary of Discover Financial Services ("Discover").

Discover generally did not assume liabilities of the LendingTree Loans business that arose before the closing date, except for certain liabilities directly related to assets Discover acquired. Of the purchase price paid, as of December 31, 2017, \$4.0 million is being held in escrow in accordance with the agreement with Discover for certain loan loss obligations that remain with us following the sale.

During 2017, 2016 and 2015, loss from discontinued operations of \$3.8 million, \$3.7 million and \$3.3 million, respectively, was attributable to the LendingTree Loans business. In 2017, 2016 and 2015, loss from discontinued operations was primarily due to litigation settlements and contingencies and legal fees associated with ongoing legal proceedings.

## **Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization**

We report Adjusted EBITDA as a supplemental measure to GAAP. This measure is the primary metric by which we evaluate the performance of our businesses, on which our marketing expenditures and internal budgets are based and by which management and many employees are compensated. We believe that investors should have access to the same set of tools that we use in analyzing our results. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. We provide and encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measures discussed below.

### *Definition of Adjusted EBITDA*

We report Adjusted EBITDA as net income from continuing operations adjusted to exclude interest, income tax, amortization of intangibles and depreciation, and to further exclude (1) non-cash compensation expense, (2) non-cash impairment charges, (3) gain/loss on disposal of assets, (4) restructuring and severance expenses, (5) litigation settlements and contingencies and legal fees for certain patent litigation, (6) acquisitions and dispositions income or expense (including with respect to changes in fair value of contingent consideration), and (7) one-time items. Adjusted EBITDA has certain limitations in that it does not take into account the impact to our statement of operations of certain expenses, including depreciation, non-cash compensation and acquisition-related accounting. We endeavor to compensate for the limitations of the non-GAAP measures presented by also providing the comparable GAAP measures with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measures. These non-GAAP measures may not be comparable to similarly titled measures used by other companies.

### *One-Time Items*

Adjusted EBITDA is adjusted for one-time items, if applicable. Items are considered one-time in nature if they are non-recurring, infrequent or unusual and have not occurred in the past two years or are not expected to recur in the next two years, in accordance with SEC rules. One-time items within the periods presented in this report include a \$10.0 million contribution to fund the newly formed LendingTree Foundation in 2017 and \$0.1 million related to an estimated settlement for unclaimed property in 2015.

### *Non-Cash Expenses that are Excluded from Adjusted EBITDA*

Non-cash compensation expense consists principally of expense associated with grants of restricted stock, restricted stock units and stock options, some of which awards have performance-based vesting conditions. These expenses are not paid in cash, and we include the related shares in our calculations of fully diluted shares outstanding. Upon settlement of restricted stock units, exercise of certain stock options or vesting of restricted stock awards, the awards may be settled, on a net basis, with us remitting the required tax withholding amount from our current funds.

Amortization of intangibles are non-cash expenses relating primarily to intangible assets acquired through acquisitions. At the time of an acquisition, the intangible assets of the acquired company, such as purchase agreements, technology and customer relationships, are valued and amortized over their estimated lives.



The following table is a reconciliation of net income from continuing operations to Adjusted EBITDA.

	Year Ended December 31,		
	2017	2016	2015
	<i>(in thousands)</i>		
<b>Net income from continuing operations</b>	<b>\$ 19,418</b>	<b>\$ 31,208</b>	<b>\$ 51,316</b>
Adjustments to reconcile to Adjusted EBITDA:			
Amortization of intangibles	12,992	1,243	149
Depreciation	7,085	4,944	3,008
Restructuring and severance	404	122	422
Loss on disposal of assets	839	640	748
Non-cash compensation	23,361	9,647	8,370
Contribution to LendingTree Foundation	10,000	—	—
Estimated settlement for unclaimed property	—	—	134
Change in fair value of contingent consideration	23,931	—	—
Acquisition expense	1,595	959	84
Litigation settlements and contingencies	718	129	(611)
Interest expense, net	7,028	561	171
Rental depreciation and amortization of intangibles	1,475	—	—
Income tax expense (benefit)	6,291	20,366	(22,973)
<b>Adjusted EBITDA</b>	<b>\$ 115,137</b>	<b>\$ 69,819</b>	<b>\$ 40,818</b>

## Financial Position, Liquidity and Capital Resources

### General

As of December 31, 2017, we had \$368.6 million of cash and cash equivalents and \$4.1 million of restricted cash and cash equivalents, compared to \$91.1 million of cash and cash equivalents and \$4.1 million of restricted cash and cash equivalents as of December 31, 2016. Notable transactions affecting cash and cash equivalents during the reported periods are as follows:

#### 2017

In May 2017, we issued \$300.0 million of our 0.625% Convertible Senior Notes for net proceeds of \$290.7 million. We used approximately \$18.1 million of the net proceeds to enter into Convertible Note Hedge and Warrant transactions.

In 2017, we purchased an aggregate of 75,393 shares of our common stock pursuant to a stock repurchase program for \$21.0 million, of which we paid \$19.9 million prior to year-end.

In September 2017, we acquired certain assets of SnapCap for \$11.9 million in cash at closing and potential future contingent consideration payments of up to \$9.0 million through March 31, 2020, subject to achieving specific targets.

In June 2017, we acquired the membership interests of MagnifyMoney for \$29.6 million cash consideration at the closing of the transaction.

In June 2017, we acquired substantially all of the assets of DepositAccounts for \$24.0 million in cash at closing and potential future contingent consideration payments of up to \$9.0 million through June 30, 2020, subject to achieving specified targets. We made a payment of \$1.0 million related to contingent consideration in 2017.

#### 2016

In 2016, we purchased an aggregate of 690,218 shares of our common stock pursuant to a stock repurchase program for \$48.5 million.

In December 2016, we acquired two office buildings in Charlotte, North Carolina for \$23.5 million in cash. We anticipate incurring construction costs in 2018 to prepare the buildings for our corporate offices.

In November 2016, we acquired CompareCards for \$80.7 million cash at closing and potential future contingent consideration payments of up to \$22.5 million for each of 2017 and 2018, subject to achieving specified targets. We made the initial \$22.5 million earnout payment in February 2018 and anticipate paying the remaining \$22.5 million earnout in the first half of 2018.

**2015**

In November 2015, we completed an equity offering of 852,500 shares of our common stock. We received net proceeds of \$91.5 million, after deducting approximately \$5.9 million in underwriting discounts and \$0.7 million in offering expenses.

We expect our cash and cash equivalents and cash flows from operations to be sufficient to fund our operating needs for the next twelve months and beyond. Our amended and restated revolving credit facility described below is an additional potential source of liquidity.

**Senior Secured Revolving Credit Facility**

On November 21, 2017, we entered into an amended and restated \$250.0 million five-year senior secured revolving credit facility which matures on November 21, 2022 (the “Revolving Credit Facility”). Borrowings under the Revolving Credit Facility can be used to finance working capital needs, capital expenditures and general corporate purposes, including to finance permitted acquisitions. As of February 26, 2018, we do not have any borrowings under the Revolving Credit Facility.

For additional information on the Revolving Credit Facility, *see* Note 11 —Debt in the notes to the consolidated financial statements included elsewhere in this report.

**Cash Flows from Continuing Operations**

Our cash flows attributable to continuing operations are as follows:

	Year Ended December 31,		
	2017	2016	2015
	<i>(in thousands)</i>		
Net cash provided by operating activities	\$ 103,538	\$ 64,214	\$ 37,185
Net cash (used in) provided by investing activities	(74,437)	(117,215)	4,901
Net cash provided by (used in) financing activities	253,125	(52,640)	82,308

**Cash Flows from Operating Activities**

Our largest source of cash provided by our operating activities is revenues generated by our mortgage and non-mortgage products. Our primary uses of cash from our operating activities include advertising and promotional payments. In addition, our uses of cash from operating activities include compensation and other employee-related costs, other general corporate expenditures, litigation settlements and contingencies and income taxes.

Net cash provided by operating activities attributable to continuing operations increased in 2017 from 2016 primarily due to an increase in revenue, partially offset by an increase in selling and marketing expense. Additionally, there was a net increase in cash from changes in working capital primarily driven by changes in accounts payable, accrued expenses and other liabilities, partially offset by changes in prepaids and income taxes receivable.

Net cash provided by operating activities attributable to continuing operations increased in 2016 from 2015 primarily due to an increase in revenue, partially offset by an increase in cost of revenue and selling and marketing. Additionally, there was an increase in cash from changes in working capital primarily driven by changes in accounts receivable and income taxes payable.

**Cash Flows from Investing Activities**

Net cash used in investing activities attributable to continuing operations in 2017 of \$74.4 million consisted primarily of the acquisition of SnapCap for \$11.9 million, the acquisition of DepositAccounts for \$25.0 million, the acquisition of MagnifyMoney for \$29.5 million and capital expenditures of \$8.0 million.

Net cash used in investing activities attributable to continuing operations in 2016 of \$117.2 million consisted primarily of the acquisition of CompareCards for \$81.2 million, the acquisition of SimpleTuition for \$4.5 million, the acquisition of two office buildings in Charlotte, North Carolina for \$23.4 million and \$10.6 million related to internally developed software and the acquisition of an aircraft. This was partially offset by a \$2.5 million decrease in restricted cash due to the release of funds in escrow for the surety bonds due to a reduction in collateral requirements.

Net cash provided by investing activities attributable to continuing operations in 2015 of \$4.9 million consisted primarily of \$12.2 million in the release of restricted cash previously held in escrow in connection with the sale of LendingTree Loans, offset by capital expenditures of \$7.2 million primarily related to internally developed software.

### Cash Flows from Financing Activities

Net cash provided by financing activities attributable to continuing operations in 2017 of \$253.1 million consisted primarily of \$300.0 million of gross proceeds from the issuance of convertible senior notes and \$43.4 million of proceeds from the sale of warrants in connection with the convertible senior notes, partially offset by \$61.5 million for the payment of convertible note hedge transactions, \$10.5 million for the payment of convertible senior note issuance costs and amended and restated revolving credit facility issuance costs and \$19.9 million for the repurchase of our stock.

Net cash used in financing activities attributable to continuing operations in 2016 of \$52.6 million consisted primarily of the repurchase of our stock of \$48.5 million and \$4.1 million in withholding taxes paid by us upon surrender of shares to satisfy obligations on equity awards.

Net cash provided by financing activities attributable to continuing operations in 2015 of \$82.3 million consisted primarily of net proceeds from the November 2015 equity offering of \$91.5 million, offset by \$7.6 million in withholding taxes paid by us upon the surrender of shares to satisfy obligations on equity awards and \$1.2 million for the payment of debt issuance costs.

### Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements other than our operating lease obligations and funding commitments pursuant to our surety bonds, none of which have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors. See Note 12 —Commitments to the consolidated financial statements included elsewhere in the report for further details.

### Summary of Contractual Obligations

The following table sets forth our contractual obligations and commercial commitments as of December 31, 2017.

Contractual Obligations <sup>(a)</sup>	Payments Due By Period as of December 31, 2017				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Operating lease obligations <sup>(b)</sup>	\$ 5,076	\$ 1,754	\$ 3,200	\$ 122	\$ —
Long-term contractual obligations <sup>(c)</sup>	68,733	50,373	18,360	—	—
Convertible debt	300,000	—	—	300,000	—
<b>Total contractual obligations</b>	<b>\$ 373,809</b>	<b>\$ 52,127</b>	<b>\$ 21,560</b>	<b>\$ 300,122</b>	<b>\$ —</b>

(a) Excludes potential obligations under surety and litigation bonds and the indemnification obligations, repurchase obligations and premium repayment obligations for which our HLC subsidiary continues to be liable following the sale of substantially all of the operating assets of our LendingTree Loans business in the second quarter of 2012. Excludes a \$0.7 million accrual related to uncertain tax position, as we are unable to determine when, or if, payments for these taxes will ultimately be made.

(b) Our operating lease obligations are associated with office space.

(c) Includes a liability of \$57.3 million for the estimated fair value of contingent consideration obligations reflected on the balance sheet for the acquisition of CompareCards, DepositAccounts, and SnapCap. Actual contingent consideration payments could range from \$22.5 million to \$45.0 million for CompareCards, \$1.0 million to \$8.0 million for DepositAccounts and zero to \$9.0 million for SnapCap. Also includes a \$0.5 million hold-back of the purchase price related to the SimpleTuition acquisition and \$10.9 million of certain other commitments.

## Critical Accounting Policies and Estimates

The following disclosure is provided to supplement the description of our accounting policies contained in Note 2—Significant Accounting Policies to the consolidated financial statements included elsewhere in this report in regard to significant areas of judgment. This disclosure includes accounting policies related to both continuing operations and discontinued operations. Management is required to make certain estimates and assumptions during the preparation of the consolidated financial statements in accordance with generally accepted accounting principles. These estimates and assumptions impact the reported amount of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements. They also impact the reported amount of net earnings during any period. Actual results could differ from those estimates. Because of the size of the financial statement elements to which they relate, some of our accounting policies and estimates have a more significant impact on our consolidated financial statements than others. A discussion of some of our more significant accounting policies and estimates follows.

### Loan Loss Obligations

We make estimates as to our exposure related to our obligation to repurchase loans previously sold to investors or to repay premiums paid by investors in purchasing loans, and reserve for such contingencies accordingly. Such payments to investors may be required in cases where underwriting deficiencies, borrower fraud and documentation defects occurred.

Our HLC subsidiary continues to be liable for certain indemnification obligations, repurchase obligations and premium repayment obligations following the sale of substantially all of the operating assets of our LendingTree Loans business on June 6, 2012. Approximately \$4.0 million is being held in escrow pending resolution of certain of these contingent liabilities. We have been negotiating with certain secondary market purchasers to settle any existing and future contingent liabilities, but we may not be able to complete such negotiations on acceptable terms, or at all. Because we do not service the loans LendingTree Loans sold, we do not maintain nor have access to the current balances and loan performance data with respect to the individual loans previously sold to investors. Accordingly, we are unable to determine, with precision, our maximum exposure for breaches of the representations and warranties LendingTree Loans made to the investors that purchased such loans.

We estimate the liability for loan losses using a settlement discount framework. This approach estimates the lifetime losses on the population of remaining loans originated and sold by LendingTree Loans using actual defaults for loans with similar characteristics and projected future defaults. It also considers the likelihood of claims expected due to alleged breaches of representations and warranties made by LendingTree Loans and the percentage of those claims investors estimate LendingTree Loans may agree to repurchase. We then apply a settlement discount factor to the result of the foregoing to reflect publicly-announced bulk settlements for similar loan types and vintages, our own settlement experience, as well as LendingTree Loans' non-operating status, in order to estimate a range of the potential obligation. Changes to any one of these factors could significantly impact the estimate of the liability and could have a material and adverse impact on our results of operations for any particular period.

We have considered both objective and subjective factors in our estimation process, but given current general industry trends in mortgage loans as well as housing prices, market expectations and actual losses related to LendingTree Loans' obligations could vary significantly from the obligation recorded as of December 31, 2017 of \$7.6 million or the range of remaining loan losses of \$4.3 million to \$7.8 million. See Note 17—Discontinued Operations—LendingTree Loans—Loan Loss Obligations to the consolidated financial statements included elsewhere in this report for additional information on the loan loss reserve.

### Income Taxes

Estimates of deferred income taxes and the significant items giving rise to the deferred assets and liabilities are shown in Note 10—Income Taxes to the consolidated financial statements included elsewhere in this report, and reflect management's assessment of actual future taxes to be paid on items reflected in the consolidated financial statements, giving consideration to both timing and the probability of realization. Actual income taxes could vary from these estimates due to future changes in income tax law, state income tax apportionment or the outcome of any review of our tax returns by the IRS, as well as actual operating results that may vary significantly from anticipated results.

We also recognize liabilities for uncertain tax positions based on the two-step process prescribed by the accounting guidance for uncertainty in income taxes. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement. This measurement step is inherently difficult and requires subjective estimations of such amounts to determine the probability of various possible outcomes. We consider many factors when evaluating and estimating our tax positions and tax benefits, which may require periodic adjustments and which may not accurately anticipate actual outcomes.

A valuation allowance is provided on deferred tax assets if it is determined that it is "more likely than not" that the deferred tax asset will not be realized.

In the fourth quarter of 2015, we concluded, based upon all available evidence, it was more likely than not we would have sufficient future taxable income to realize the majority of our net deferred tax assets. As a result, we released the majority of the valuation allowance in 2015. We significantly improved our operating performance in 2015, emerged from cumulative losses in previous years to a cumulative profit position and project taxable income in future years. While we believe the assumptions included in our projections of future taxable income are reasonable, if the actual results vary from expected results due to unforeseen changes in the economy or mortgage industry, or other factors, we may need to make future adjustments to the valuation allowance for all, or a portion, of the net deferred tax assets.

At December 31, 2017 and 2016, we recorded a partial valuation allowance of \$2.7 million and \$2.1 million, respectively, primarily related to state net operating losses, which we do not expect to be able to utilize prior to expiration.

### **Stock-Based Compensation**

The forms of stock-based awards granted to our employees are principally restricted stock units ("RSUs"), RSUs with performance conditions, restricted stock, stock options and stock options with performance conditions. Further, performance-based stock options with market conditions and time-vested restricted stock with a performance condition have been granted to our Chairman and Chief Executive Officer. The value of RSU and restricted stock awards is measured at their grant dates as the fair value of common stock and amortized ratably as non-cash compensation expense over the vesting term. The value of stock options issued is estimated using a Black-Scholes option pricing model. The value of performance-based awards is measured at their grant dates and recognized as non-cash compensation expense, considering the probability of the targets being achieved. Performance-based awards with a market condition are valued using a Monte Carlo simulation model. If an award is modified, we determine if the modification requires a new calculation of fair value or change in the vesting term of the award. See Note 9—Stock-Based Compensation to the consolidated financial statements included elsewhere in this report for additional information on assumptions and inputs to the fair value determination of stock-based awards.

### **Evaluation of Goodwill and Indefinite-Lived Intangible Assets Impairment**

We test goodwill and indefinite-lived intangible assets, primarily trade names and trademarks, annually for impairment as of October 1, or more frequently upon the occurrence of certain events or substantive changes in circumstances. As part of our annual impairment testing of goodwill and indefinite-lived intangible assets, in each instance, we may elect to assess qualitative factors as a basis for determining whether it is necessary to perform the traditional quantitative impairment testing. If our assessment of these qualitative factors indicates that it is not more likely than not that the fair value of the reporting unit or indefinite-lived intangible asset is less than its carrying value, then no further testing is required. Otherwise, the goodwill reporting unit or long-lived intangible assets, as applicable, must be quantitatively tested for impairment.

The quantitative test for goodwill impairment is determined using a two-step process. Performing the first step to compare reporting unit fair value with its carrying value using a discounted cash flow ("DCF") analysis requires the exercise of significant judgments, including judgments about appropriate discount rates, perpetual growth rates and the amount and timing of expected future cash flows. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is required to be performed to measure the amount of impairment, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill (determined in the same manner as the amount of goodwill recognized in a business combination) with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

The quantitative impairment test for indefinite-lived intangible assets involves a DCF valuation analysis that employs a relief-from-royalty methodology in estimating the fair value of trade names and trademarks. Significant judgments inherent in this analysis include the determination of royalty rates, discount rates, perpetual growth rates and the amount and timing of future revenues. If the carrying value of the indefinite-lived intangible asset exceeds its estimated fair value, an impairment loss is recognized in an amount equal to that excess.

The value of goodwill and indefinite-lived intangible assets subject to assessment for impairment at December 31, 2017 is \$113.4 million and \$10.1 million, respectively.

### **Recoverability of Long-Lived Assets**

We review the carrying value of all long-lived assets, primarily property and equipment, and definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may be impaired. Impairment is considered to have occurred whenever the carrying value of a long-lived asset cannot be recovered from cash flows

that are expected to result from the use and eventual disposition of the asset. This recoverability test requires us to make assumptions and judgments related to factors used in a calculation of undiscounted cash flows, including, but not limited to, management's expectations for future operations and projected cash flows. The key assumptions used in this calculation include Adjusted EBITDA, the remaining useful lives of the primary cash flow generating asset in the asset group and, to a lesser extent, the deduction of capital expenditures and taxes paid in cash to arrive at net cash flows.

The value of long-lived assets subject to assessment for impairment is \$107.4 million at December 31, 2017 .

### **Business Acquisitions**

When we acquire businesses, we allocate the purchase price to tangible assets and liabilities and identifiable intangible assets acquired at their acquisition date fair values. Any residual purchase price is recorded as goodwill. We also estimate the fair value of any contingent consideration using Level 3 unobservable inputs. Our estimates of fair value are based upon assumptions believed to be reasonable but which are uncertain and involve significant judgments by management.

We reassess the fair value of contingent consideration quarterly until the contingency is resolved, and changes in the fair value are recorded in operating income in the consolidated statements of operations.

### **New Accounting Pronouncements**

See Note 2 —Significant Accounting Policies to the consolidated financial statements included elsewhere in this report for a description of recent accounting pronouncements.

### **ITEM 7A. *Quantitative and Qualitative Disclosures about Market Risk***

Other than our Revolving Credit Facility, which currently has no borrowings outstanding, we do not have any financial instruments that are exposed to significant market risk. We maintain our cash and cash equivalents in bank deposits and short-term, highly liquid money market investments. A hypothetical 100-basis point increase or decrease in market interest rates would not have a material impact on the fair value of our cash equivalents securities, or our earnings on such cash equivalents, but would have an effect on the interest paid on borrowings under the Revolving Credit Facility, if any. As of February 26, 2018 , there were no borrowings under the Revolving Credit Facility. Increases in the Federal Funds interest rates may also affect contingent consideration payable to DepositAccounts. See Note 6 - Business Acquisition - 2017 Acquisitions - DepositAccounts.

Fluctuations in interest rates affect consumer demand for new mortgages and the level of refinancing activity which, in turn, affects lender demand for mortgage leads. Typically, a decline in mortgage interest rates will lead to reduced lender demand for leads from third-party sources, as there are more consumers in the marketplace seeking refinancings and, accordingly, lenders receive more organic lead volume. Conversely, an increase in mortgage interest rates will typically lead to an increase in lender demand for third-party leads, as there are fewer consumers in the marketplace and, accordingly, the supply of organic mortgage lead volume decreases.

ITEM 8. *Financial Statements and Supplementary Data*

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## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of LendingTree, Inc.

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of LendingTree, Inc. and its subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of operations and comprehensive income, of shareholders' equity and of cash flows for each of the three years in the period ended December 31, 2017, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2017 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

### ***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### ***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina  
February 26, 2018

We have served as the Company's auditor since 2012.

**LENDINGTREE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**

	Year Ended December 31,		
	2017	2016	2015
	<i>(in thousands, except per share amounts)</i>		
<b>Revenue</b>	<b>\$ 617,736</b>	<b>\$ 384,402</b>	<b>\$ 254,216</b>
Costs and expenses:			
Cost of revenue <i>(exclusive of depreciation and amortization shown separately below)</i>	17,223	13,764	9,370
Selling and marketing expense	432,784	261,100	172,849
General and administrative expense	71,541	37,227	30,030
Product development	17,925	13,761	10,485
Depreciation	7,085	4,944	3,008
Amortization of intangibles	12,992	1,243	149
Change in fair value of contingent consideration	23,931	—	—
Restructuring and severance	404	122	422
Litigation settlements and contingencies	718	129	(611)
<b>Total costs and expenses</b>	<b>584,603</b>	<b>332,290</b>	<b>225,702</b>
<b>Operating income</b>	<b>33,133</b>	<b>52,112</b>	<b>28,514</b>
Other (expense) income, net:			
Interest expense, net	(7,028)	(561)	(171)
Other (expense) income	(396)	23	—
<b>Income before income taxes</b>	<b>25,709</b>	<b>51,574</b>	<b>28,343</b>
Income tax (expense) benefit	(6,291)	(20,366)	22,973
<b>Net income from continuing operations</b>	<b>19,418</b>	<b>31,208</b>	<b>51,316</b>
<b>Loss from discontinued operations, net of tax</b>	<b>(3,840)</b>	<b>(3,714)</b>	<b>(3,269)</b>
<b>Net income and comprehensive income</b>	<b>\$ 15,578</b>	<b>\$ 27,494</b>	<b>\$ 48,047</b>
<b>Weighted average shares outstanding:</b>			
Basic	11,945	11,812	11,516
Diluted	13,682	12,773	12,541
<b>Income per share from continuing operations:</b>			
Basic	\$ 1.63	\$ 2.64	\$ 4.46
Diluted	\$ 1.42	\$ 2.44	\$ 4.09
<b>Loss per share from discontinued operations:</b>			
Basic	\$ (0.32)	\$ (0.31)	\$ (0.28)
Diluted	\$ (0.28)	\$ (0.29)	\$ (0.26)
<b>Net income per share:</b>			
Basic	\$ 1.30	\$ 2.33	\$ 4.17
Diluted	\$ 1.14	\$ 2.15	\$ 3.83

The accompanying notes to consolidated financial statements are an integral part of these statements.

**LENDINGTREE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

	December 31, 2017	December 31, 2016
	<i>(in thousands, except par value and share amounts)</i>	
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 368,550	\$ 91,131
Restricted cash and cash equivalents	4,091	4,089
Accounts receivable (net of allowance of \$675 and \$1,059, respectively)	53,444	41,382
Prepaid and other current assets	11,881	4,021
Current assets of discontinued operations	75	—
<b>Total current assets</b>	<b>438,041</b>	<b>140,623</b>
Property and equipment (net of accumulated depreciation of \$13,043 and \$9,739, respectively)	36,431	35,462
Goodwill	113,368	56,457
Intangible assets, net	81,125	71,684
Deferred income tax assets	20,156	14,610
Other non-current assets	1,910	810
Non-current assets of discontinued operations	2,428	3,781
<b>Total assets</b>	<b>\$ 693,459</b>	<b>\$ 323,427</b>
<b>LIABILITIES:</b>		
Accounts payable, trade	\$ 9,250	\$ 5,593
Accrued expenses and other current liabilities	77,183	49,403
Current contingent consideration	46,576	—
Current liabilities of discontinued operations (Note 17)	14,507	11,711
<b>Total current liabilities</b>	<b>147,516</b>	<b>66,707</b>
Long-term debt	238,199	—
Non-current contingent consideration	11,273	23,600
Other non-current liabilities	1,597	1,685
<b>Total liabilities</b>	<b>398,585</b>	<b>91,992</b>
Commitments and contingencies (Notes 12 and 13)		
<b>SHAREHOLDERS' EQUITY:</b>		
Preferred stock \$.01 par value; 5,000,000 shares authorized; none issued or outstanding	—	—
Common stock \$.01 par value; 50,000,000 shares authorized; 14,218,572 and 13,955,378 shares issued, respectively, and 11,979,434 and 11,791,633 shares outstanding, respectively	142	140
Additional paid-in capital	1,087,582	1,018,010
Accumulated deficit	(708,354)	(722,630)
Treasury stock; 2,239,138 and 2,163,745 shares, respectively	(85,085)	(64,085)
Noncontrolling interest (Note 6)	589	—
<b>Total shareholders' equity</b>	<b>294,874</b>	<b>231,435</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 693,459</b>	<b>\$ 323,427</b>

The accompanying notes to consolidated financial statements are an integral part of these statements.

**LENDINGTREE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY**

	Common Stock			Additional Paid-in Capital	Accumulated Deficit	Treasury Stock		Noncontrolling Interest
	Total	Number of Shares	Amount			Number of Shares	Amount	
	<i>(in thousands)</i>							
<b>Balance as of December 31, 2014</b>	<b>\$ 96,366</b>	<b>12,855</b>	<b>\$ 129</b>	<b>\$ 909,751</b>	<b>\$ (798,171)</b>	<b>1,468</b>	<b>\$ (15,343)</b>	<b>\$ —</b>
Net income and comprehensive income	48,047	—	—	—	48,047	—	—	—
Non-cash compensation	8,508	—	—	8,508	—	—	—	—
Purchase of treasury stock	(218)	—	—	—	—	6	(218)	—
Dividends	(11)	—	—	(11)	—	—	—	—
Issuance of common stock for stock options, restricted stock awards and restricted stock units, net of withholding taxes	(7,613)	158	1	(7,614)	—	—	—	—
Tax benefit from stock-based award activity	4,601	—	—	4,601	—	—	—	—
Proceeds from equity offering, net of offering costs	91,462	853	9	91,453	—	—	—	—
<b>Balance as of December 31, 2015</b>	<b>\$ 241,142</b>	<b>13,866</b>	<b>\$ 139</b>	<b>\$ 1,006,688</b>	<b>\$ (750,124)</b>	<b>1,474</b>	<b>\$ (15,561)</b>	<b>\$ —</b>
Net income and comprehensive income	27,494	—	—	—	27,494	—	—	—
Non-cash compensation	9,647	—	—	9,647	—	—	—	—
Purchase of treasury stock	(48,524)	—	—	—	—	690	(48,524)	—
Issuance of common stock for stock options, restricted stock awards and restricted stock units, net of withholding taxes	(4,084)	89	1	(4,085)	—	—	—	—
Tax benefit from stock-based award activity	5,760	—	—	5,760	—	—	—	—
<b>Balance as of December 31, 2016</b>	<b>\$ 231,435</b>	<b>13,955</b>	<b>\$ 140</b>	<b>\$ 1,018,010</b>	<b>\$ (722,630)</b>	<b>2,164</b>	<b>\$ (64,085)</b>	<b>\$ —</b>
Net income and comprehensive income	15,578	—	—	—	15,578	—	—	—
Non-cash compensation	23,361	—	—	23,361	—	—	—	—
Purchase of treasury stock	(21,000)	—	—	—	—	75	(21,000)	—
Issuance of common stock for stock options, restricted stock awards and restricted stock units, net of withholding taxes	1,601	263	2	1,599	—	—	—	—
Cumulative effect adjustment due to ASU 2016-09	985	—	—	2,287	(1,302)	—	—	—
Issuance of 0.625% Convertible Senior Notes, net	60,415	—	—	60,415	—	—	—	—
Convertible note hedge	(61,500)	—	—	(61,500)	—	—	—	—
Sale of warrants	43,410	—	—	43,410	—	—	—	—
Noncontrolling interest (Note 6)	589	—	—	—	—	—	—	589
<b>Balance as of December 31, 2017</b>	<b>\$ 294,874</b>	<b>14,218</b>	<b>\$ 142</b>	<b>\$ 1,087,582</b>	<b>\$ (708,354)</b>	<b>2,239</b>	<b>\$ (85,085)</b>	<b>\$ 589</b>

The accompanying notes to consolidated financial statements are an integral part of these statements.

**LENDINGTREE, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Year Ended December 31,		
	2017	2016	2015
	<i>(in thousands)</i>		
Cash flows from operating activities attributable to continuing operations:			
<b>Net income and comprehensive income</b>	<b>\$ 15,578</b>	<b>\$ 27,494</b>	<b>\$ 48,047</b>
Less: Loss from discontinued operations, net of tax	3,840	3,714	3,269
Income from continuing operations	19,418	31,208	51,316
Adjustments to reconcile income from continuing operations to net cash provided by operating activities attributable to continuing operations:			
Loss on disposal of fixed assets	840	640	748
Amortization of intangibles	12,992	1,243	149
Depreciation	7,085	4,944	3,008
Rental amortization of intangibles and depreciation	1,474	—	—
Non-cash compensation expense	23,361	9,647	8,508
Deferred income taxes	(6,370)	6,367	(29,969)
Change in fair value of contingent consideration	23,931	—	—
Bad debt expense	195	515	337
Amortization of debt issuance costs	1,032	245	47
Write-off of previously-capitalized debt issuance costs	90	—	—
Amortization of convertible debt discount	6,385	—	—
Changes in current assets and liabilities:			
Accounts receivable	(11,381)	(8,361)	(16,598)
Prepaid and other current assets	(5,358)	(1,558)	(874)
Income taxes receivable	(1,104)	13,385	6,247
Accounts payable, accrued expenses and other current liabilities	31,108	4,769	13,689
Other, net	(160)	1,170	577
<b>Net cash provided by operating activities attributable to continuing operations</b>	<b>103,538</b>	<b>64,214</b>	<b>37,185</b>
Cash flows from investing activities attributable to continuing operations:			
Capital expenditures	(8,040)	(31,955)	(7,237)
Acquisition of intangible assets	(5)	(2,030)	—
Acquisition of SnapCap	(11,886)	—	—
Acquisition of DepositAccounts	(25,000)	—	—
Acquisition of MagnifyMoney, net of cash acquired	(29,504)	—	—
Acquisition of CompareCards	—	(81,182)	—
Acquisition of other businesses	—	(4,500)	(37)
(Increase) decrease in restricted cash	(2)	2,452	12,175
<b>Net cash (used in) provided by investing activities attributable to continuing operations</b>	<b>(74,437)</b>	<b>(117,215)</b>	<b>4,901</b>
Cash flows from financing activities attributable to continuing operations:			
Proceeds from exercise of stock options, net of payments related to net-share settlement of stock-based compensation	1,602	(4,085)	(7,612)
Proceeds from the issuance of 0.625% Convertible Senior Notes	300,000	—	—
Payment of convertible note hedge transactions	(61,500)	—	—
Proceeds from the sale of warrants	43,410	—	—
Proceeds from equity offering, net of offering costs	—	(23)	91,484
Payment of debt issuance costs	(10,486)	(8)	(1,215)
Purchase of treasury stock	(19,901)	(48,524)	(218)
Dividends	—	—	(131)
<b>Net cash provided by (used in) financing activities attributable to continuing operations</b>	<b>253,125</b>	<b>(52,640)</b>	<b>82,308</b>
<b>Total cash provided by (used in) continuing operations</b>	<b>282,226</b>	<b>(105,641)</b>	<b>124,394</b>
Discontinued operations:			
Net cash used in operating activities attributable to discontinued operations	(4,807)	(10,203)	(3,631)
<b>Total cash used in discontinued operations</b>	<b>(4,807)</b>	<b>(10,203)</b>	<b>(3,631)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>277,419</b>	<b>(115,844)</b>	<b>120,763</b>
Cash and cash equivalents at beginning of period	91,131	206,975	86,212
<b>Cash and cash equivalents at end of period</b>	<b>\$ 368,550</b>	<b>\$ 91,131</b>	<b>\$ 206,975</b>
<b>Supplemental cash flow information:</b>			
Interest paid	\$ 1,327	\$ 320	\$ 60
Income tax payments	20,359	3,095	703
Income tax refunds	(133)	(22)	(96)

The accompanying notes to consolidated financial statements are an integral part of these statements.

**LENDINGTREE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1—ORGANIZATION**

**Company Overview**

LendingTree, Inc. ("LendingTree" or the "Company"), is the parent of LendingTree, LLC and several companies owned by LendingTree, LLC.

LendingTree operates what it believes to be the leading online loan marketplace for consumers seeking loans and other credit-based offerings. The Company offers consumers tools and resources, including free credit scores, that facilitate comparison-shopping for mortgage loans, home equity loans and lines of credit, reverse mortgage loans, auto loans, credit cards, deposit accounts, personal loans, student loans, small business loans and other related offerings. The Company primarily seeks to match in-market consumers with multiple lenders on its marketplace who can provide them with competing quotes for the loans, deposits or credit-based offerings they are seeking. The Company also serves as a valued partner to lenders seeking an efficient, scalable and flexible source of customer acquisition with directly measurable benefits, by matching the consumer loan inquiries it generates with these lenders.

The consolidated financial statements include the accounts of LendingTree and all its wholly-owned entities. Intercompany transactions and accounts have been eliminated.

**Discontinued Operations**

The LendingTree Loans business is presented as discontinued operations in the accompanying consolidated balance sheets, consolidated statements of operations and comprehensive income and consolidated cash flows for all periods presented. The notes accompanying these consolidated financial statements reflect the Company's continuing operations and, unless otherwise noted, exclude information related to the discontinued operations. *See* Note 17 — Discontinued Operations for additional information.

**Basis of Presentation**

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC").

**NOTE 2—SIGNIFICANT ACCOUNTING POLICIES**

**Revenue Recognition**

The Company derives its revenue primarily from match fees and closing fees. Revenue within the mortgage product category is primarily generated from match fees paid by network lenders that receive a loan request, and in some cases upfront fees or clicks or call transfers. In addition to match and other upfront fees, revenue within the non-mortgage product category is also generated from closing fees and approval fees.

Match fees are earned through the delivery of qualified loan requests that originated through the Company's websites or affiliates. The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is reasonably assured. Delivery is deemed to have occurred at the time a loan request is delivered to the customer, provided that no significant obligations remain.

Closing fees are derived from lenders on certain auto, business, personal loan types and student loans when a transaction is closed with the consumer. Closed loan fees and closed sale fees are recognized at the time the lender reports the closed loan or closed sale to the Company, which could be several months after the original request is transmitted. For consumer credit card loan requests, the Company sends traffic to issuers and recognizes revenue at the time of card approval.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash and short-term, highly liquid money market investments with original maturities of three months or less.

**LENDINGTREE, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**Restricted Cash**

Cash escrowed or contractually restricted for a specific purpose is designated as restricted cash.

**Accounts Receivable**

Accounts receivable are stated at amounts due from customers, net of an allowance for doubtful accounts.

The Company determines its allowance for doubtful accounts by considering a number of factors, including the length of time accounts receivable are past due, previous loss history and the specific customer's current ability to pay its obligation. Accounts receivable are considered past due when they are outstanding longer than the contractual payment terms. Accounts receivable are written off when management deems them uncollectible.

A reconciliation of the beginning and ending balances of the allowance for doubtful accounts is as follows (*in thousands*) :

	Year Ended December 31,		
	2017	2016	2015
<b>Balance, beginning of the period</b>	\$ 1,059	\$ 606	\$ 349
Charges to earnings	195	515	337
Write-off of uncollectible accounts receivable	(579)	(62)	(80)
<b>Balance, end of the period</b>	<b>\$ 675</b>	<b>\$ 1,059</b>	<b>\$ 606</b>

**Loan Loss Obligations (Discontinued Operations)**

The Company's Home Loan Center, Inc. ("HLC") subsidiary, which during its period of active operation primarily conducted business as LendingTree Loans, sold loans it originated to investors on a servicing-released basis and the risk of loss or default by the borrower was generally transferred to the investor. However, LendingTree Loans was required by these investors to make certain representations relating to credit information, loan documentation and collateral. To the extent LendingTree Loans did not comply with such representations, LendingTree Loans may be required to repurchase loans or indemnify the investors for any losses from borrower defaults. LendingTree Loans maintains a liability for the estimated exposure relating to such contingent obligations and changes to the estimate are recorded in income from discontinued operations in the periods they occur.

The Company estimates the liability for loan losses using a settlement discount framework. This approach estimates the lifetime losses on the population of remaining loans originated and sold by LendingTree Loans using actual defaults for loans with similar characteristics and projected future defaults. It also considers the likelihood of claims expected due to alleged breaches of representations and warranties made by LendingTree Loans and the percentage of those claims investors estimate LendingTree Loans may agree to repurchase. The Company then applies a settlement discount factor to the result of the foregoing to reflect publicly-announced bulk settlements for similar loan types and vintages, the Company's own settlement experience, as well as LendingTree Loans' non-operating status, in order to estimate a range of potential liability. Changes to any one of these factors could significantly impact the estimate of the liability and could have a material impact on the Company's results of operations for any particular period. *See* Note 17 —Discontinued Operations—LendingTree Loans—Loan Loss Obligations for additional information on the loan loss reserve.

**Segment Reporting**

The Company has one reportable segment.

**Property and Equipment**

Property and equipment, including internally-developed software and significant improvements, are recorded at cost less accumulated depreciation. Acquisition and construction costs for land and building is capitalized and depreciated over the applicable useful lives. Due to the rapid advancements in technology and evolution of company products, all internally-developed software is written-off at the end of its useful life. Repairs and maintenance and any gains or losses on dispositions are recognized as incurred in current operations.

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Depreciation is recorded on a straight-line basis to allocate the cost of depreciable assets to operations over their estimated service lives. The following table presents the estimated useful lives for each asset category:

Asset Category	Estimated Useful Lives
Land	N/A
Building	34 years
Site Improvements	1 to 15 years
Computer equipment and capitalized software	1 to 5 years
Leasehold improvements	Lesser of asset life or life of lease
Furniture and other equipment	3 to 7 years
Aircraft and automobile	5 to 10 years

**Software Development Costs**

Software development costs primarily include internal and external labor expenses incurred to develop the software that powers the Company's websites. Certain costs incurred during the application development stage are capitalized based on specific activities tracked, while costs incurred during the preliminary project stage and post-implementation/operation stage are expensed as incurred. Capitalized software development costs are amortized over an estimated useful life of one to three years .

**Goodwill and Indefinite-Lived Intangible Assets**

Goodwill acquired in business combinations is assigned to the reporting units that are expected to benefit from the combination as of the acquisition date. Goodwill and indefinite-lived intangible assets, primarily the Company's trade names and trademarks, are not amortized. Rather, these assets are tested annually for impairment as of October 1, or more frequently upon the occurrence of certain events or substantive changes in circumstances.

As part of its annual impairment testing of goodwill and indefinite-lived intangible assets, in each instance, the Company may elect to assess qualitative factors as a basis for determining whether it is necessary to perform the traditional quantitative impairment testing. If the Company's assessment of these qualitative factors indicates that it is not more likely than not that the fair value of the reporting unit or indefinite-lived intangible asset is less than its carrying value, then no further testing is required. Otherwise, the goodwill reporting unit or long-lived intangible assets, as applicable, must be quantitatively tested for impairment.

The quantitative test for goodwill impairment is determined using a two-step process. The first step is to compare the fair value of a reporting unit with its carrying amount, including goodwill. In performing the first step, the Company determines the fair value of its reporting units by using a market approach and a discounted cash flow ("DCF") analysis. Determining fair value using a DCF analysis requires the exercise of significant judgments, including judgments about appropriate discount rates, perpetual growth rates and the amount and timing of expected future cash flows. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired and the second step of the impairment test is not required. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is required to be performed to measure the amount of impairment, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

The quantitative impairment test for indefinite-lived intangible assets involves a comparison of the estimated fair value of the intangible asset with its carrying value. If the carrying value of the indefinite-lived intangible asset exceeds its estimated fair value, an impairment loss is recognized in an amount equal to that excess. The estimates of fair value of indefinite-lived intangible assets are determined using a DCF valuation analysis that employs a relief-from-royalty methodology in estimating the fair value of trade names and trademarks. Significant judgments inherent in this analysis include the determination of royalty rates, discount rates, perpetual growth rates and the amount and timing of future revenues.

For the October 1, 2017 and 2016 annual impairment tests of goodwill and indefinite-lived intangible assets, the Company elected to perform qualitative assessments as a precursor to the traditional quantitative tests. Results of the October 1, 2017 and 2016 annual impairment tests indicated that it is not more likely than not that the fair value of the goodwill and the indefinite-lived intangible assets were each less than their respective carrying values. Accordingly, no further testing was required.



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**Long-Lived Assets and Intangible Assets with Definite Lives**

Long-lived assets include property and equipment and intangible assets with definite lives. Amortization of definite-lived intangible assets is recorded on a straight-line basis over their estimated lives.

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying amount is deemed to not be recoverable, an impairment loss is recorded as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

At December 31, 2017 and 2016, the Company performed its review of impairment triggering events for long-lived assets and determined that a triggering event had not occurred.

**Fair Value Measurements**

The Company categorizes its assets and liabilities measured at fair value into a fair value hierarchy that prioritizes the assumptions used in pricing the asset or liability into the following three levels:

- **Level 1:** Observable inputs, such as quoted prices for identical assets and liabilities in active markets obtained from independent sources.
- **Level 2:** Other inputs that are observable directly or indirectly, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active and inputs that are derived principally from or corroborated by observable market data.
- **Level 3:** Unobservable inputs for which there is little or no market data and which require the Company to develop its own assumptions, based on the best information available under the circumstances, about the assumptions market participants would use in pricing the asset or liability.

The Company's non-financial assets, such as goodwill, intangible assets and property and equipment are recorded at fair value upon acquisition. These assets are remeasured at fair value when there is an indicator of impairment and recorded at fair value only when an impairment charge is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

Contingent consideration payments related to acquisitions are measured at fair value each reporting period using Level 3 unobservable inputs. The Company's estimates of fair value are based upon assumptions believed to be reasonable but which are uncertain and involve significant judgments by management. Any changes in the fair value of these contingent consideration payments are included in operating income in the consolidated statements of operations.

**Cost of Revenue**

Cost of revenue consists primarily of expenses associated with compensation and other employee-related costs (including stock-based compensation) related to internally-operated customer call centers, third-party customer call center fees, credit scoring fees, credit card fees, website network hosting and server fees.

**Product Development**

Product development expense consists primarily of compensation and other employee-related costs (including stock-based compensation) and third-party labor costs that are not capitalized, for employees and consultants engaged in the design, development, testing and enhancement of technology.

**Advertising**

Advertising costs are expensed in the period incurred (except for production costs which are initially capitalized and then recognized as expense when the advertisement first runs) and principally represent offline costs, including television, print and radio advertising, and online advertising costs, including fees paid to search engines and distribution partners. Advertising expense was \$410.8 million, \$243.2 million and \$159.2 million for the years ended December 31, 2017, 2016 and 2015, respectively, and is included in selling and marketing expense on the consolidated statements of operations and comprehensive income.

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**Income Taxes**

Income taxes are accounted for under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. In estimating future tax consequences, all expected future events are considered. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided on deferred tax assets if it is determined that it is more likely than not that the deferred tax asset will not be realized. Interest is recorded on potential tax contingencies as a component of income tax expense and recorded net of any applicable related income tax benefit. For the years ended December 31, 2017, 2016 and 2015, the Company followed the incremental or "with" and "without" approach to intraperiod tax allocation for determination of the amount of tax benefit to allocate to continuing operations as prescribed in Accounting Standards Codification ("ASC") 740-20-45-7 with the exception of the allocation of the release of the valuation allowance for deferred tax assets which is governed by ASC 740-10-45-20.

In accordance with the accounting standard for uncertainty in income taxes, liabilities for uncertain tax positions are recognized based on the two-step process prescribed by the accounting standards. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement.

On December 22, 2017, the SEC staff issued Staff Accounting Bulletin No. 118 ("SAB 118"), which provides guidance on accounting for the tax effect of the Tax Cuts and Jobs Act ("TCJA"). SAB 118 provides a measurement period that should not extend beyond one year from the TCJA enactment date for companies to complete the accounting under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the TCJA for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the TCJA is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements. In accordance with SAB 118, the Company has determined that the \$ 9.1 million of the deferred tax expense recorded in connection with the remeasurement of certain deferred tax assets and liabilities was a provisional amount and a reasonable estimate at December 31, 2017. Additional work is necessary for a more detailed analysis of our deferred tax assets and liabilities as well as potential correlative adjustments. Any subsequent adjustments to these amounts will be recorded to current tax expense in the quarter of 2018 when the analysis is complete.

**Stock-Based Compensation**

The forms of stock-based awards granted to LendingTree employees are principally restricted stock units ("RSUs"), RSUs with performance conditions, restricted stock, stock options and stock options with performance conditions. Further, performance-based stock options with market conditions and time-vested restricted stock with a performance condition have been granted to the Company's Chairman and Chief Executive Officer. RSUs are awards in the form of units, denominated in a hypothetical equivalent number of shares of LendingTree common stock and with the value of each award equal to the fair value of LendingTree common stock at the date of grant. RSUs may be settled in cash, stock or both, as determined by the Company's Compensation Committee at the time of grant. The Company does not have a history of settling these awards in cash. Each stock-based award is subject to service-based vesting, where a specific period of continued employment must pass before an award vests. The Compensation Committee can modify the vesting provisions of an award. Certain awards also include performance-based vesting, where certain performance targets set at the time of grant must be achieved before an award vests.

LendingTree recognizes as expense non-cash compensation for all stock-based awards for which vesting is considered probable. Prior to the adoption of Accounting Standards Update ("ASU") 2016-09, the amount of non-cash compensation was reduced by estimated forfeitures, using a rate estimated at the grant date based on historical experience and revised, if necessary, in subsequent periods if the actual forfeiture rate differed from the estimated rate. Subsequent to the adoption of ASU 2016-09 in the first quarter of 2017, forfeitures are recognized when they occur.

For service-based awards, non-cash compensation is measured at fair value on the grant date and expensed ratably over the vesting term. The fair value of each stock option award without a market condition is estimated using the Black-Scholes option pricing model, while the fair value of an RSU or restricted stock award is measured as the closing common stock price at the time of grant. For performance-based awards, the fair value is measured on the grant date and recognized as non-cash compensation expense, considering the probability of the targets being achieved. Performance-based awards with a market condition are valued using a Monte Carlo simulation model.

Subsequent to the Company's adoption of ASU 2016-09 in the first quarter of 2017, excess tax benefits and deficiencies that arise due to the difference in the measure of stock compensation and the amount deductible for tax purposes are prospectively

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recorded in income tax expense within the consolidated statement of operations and comprehensive income, and are retrospectively classified as a component of operating cash flows within the consolidated statements of cash flows. Prior to the adoption of ASU 2016-09, these excess tax benefits were recognized in the consolidated statement of shareholders' equity and reported as a component of financing cash flows. For additional information on the adoption of ASU 2016-09, please see the section titled "Recent Accounting Pronouncements" within this Note.

**Litigation Settlements and Contingencies**

Litigation settlements and contingencies consists of expenses related to actual or anticipated litigation settlements, in addition to legal fees incurred in connection with various patent litigation claims the Company pursues against others.

The Company is involved in legal proceedings on an ongoing basis. If the Company believes that a loss arising from such matters is probable and can be reasonably estimated, the estimated liability is accrued in the consolidated financial statements. If only a range of estimated losses can be determined, an amount within the range is accrued that, in the Company's judgment, reflects the most likely outcome; if none of the estimates within that range is a better estimate than any other amount, the low end of the range is accrued. For those proceedings in which an unfavorable outcome is reasonably possible but not probable, an estimate of the reasonably possible loss or range of losses or a conclusion that an estimate of the reasonably possible loss or range of losses arising directly from the proceeding (i.e., monetary damages or amounts paid in judgment or settlement) are not material is disclosed. Legal expenses associated with these matters are recognized as incurred.

**Accounting Estimates**

Management is required to make certain estimates and assumptions during the preparation of the consolidated financial statements in accordance with GAAP. These estimates and assumptions impact the reported amount of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the consolidated financial statements. They also impact the reported amount of net earnings during any period. Actual results could differ from those estimates.

Significant estimates underlying the accompanying consolidated financial statements, including discontinued operations, include: loan loss obligations; the recoverability of long-lived assets, goodwill and intangible assets; the determination of income taxes payable and deferred income taxes, including related valuation allowances; fair value of assets acquired in a business combination; contingent consideration related to business combinations; litigation accruals; various other allowances, reserves and accruals; and assumptions related to the determination of stock-based compensation.

**Certain Risks and Concentrations**

LendingTree's business is subject to certain risks and concentrations including dependence on third-party technology providers, exposure to risks associated with online commerce security and credit card fraud.

Financial instruments, which potentially subject the Company to concentration of credit risk at December 31, 2017, consist primarily of cash and cash equivalents and accounts receivable, as disclosed in the consolidated balance sheet. Cash and cash equivalents are in excess of Federal Deposit Insurance Corporation insurance limits, but are maintained with quality financial institutions of high credit. The Company generally requires certain network lenders to maintain security deposits with the Company, which in the event of non-payment, would be applied against any accounts receivable outstanding.

Due to the nature of the mortgage lending industry, interest rate fluctuations may negatively impact future revenue from the Company's lender marketplace.

For the years ended December 31, 2017, 2016 and 2015, one marketplace lender accounted for 11%, 15% and 11% of total revenue, respectively. For the years ended December 31, 2016 and 2015, another marketplace lender accounted for revenue representing 13% and 12% of total revenue, respectively.

Lenders participating on the Company's marketplace can offer their products directly to consumers through brokers, mass marketing campaigns or through other traditional methods of credit distribution. These lenders can also offer their products online, either directly to prospective borrowers, through one or more online competitors, or both. If a significant number of potential consumers are able to obtain loans from participating lenders without utilizing the Company's services, the Company's ability to generate revenue may be limited. Because the Company does not have exclusive relationships with the lenders whose loan offerings are offered on its online marketplace, consumers may obtain offers and loans from these lenders without using its service.

The Company maintains operations solely in the United States.

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**Recent Accounting Pronouncements**

In May 2017, the Financial Accounting Standards Board ("FASB") issued ASU 2017-09 which clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions or the classification of the award changes as a result of the change in terms or conditions. This ASU is effective prospectively for annual periods beginning on or after December 15, 2017, and early adoption was permitted. The Company does not expect a material impact to its consolidated financial statements as a result of adoption.

In January 2017, the FASB issued ASU 2017-04 which eliminates the requirement to calculate the implied fair value of goodwill to measure a goodwill impairment charge (Step 2 of the goodwill impairment test). Instead, an impairment charge will be based on the excess of the carrying amount over the fair value. This ASU is effective for annual and interim impairment tests performed in periods beginning after December 15, 2019. Early adoption is permitted for annual and interim goodwill impairment testing dates after January 1, 2017. The Company is evaluating the impact this ASU will have on its consolidated financial statements and whether to early adopt.

In November 2016, the FASB issued ASU 2016-18 which is intended to reduce the diversity in the classification and presentation of changes in restricted cash in the statement of cash flows, by requiring entities to combine the changes in cash and cash equivalents and restricted cash in one line. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash in the statement of cash flows. In addition, if more than one line item is recorded on the balance sheet for cash and cash equivalents and restricted cash, a reconciliation between the statement of cash flows and balance sheet is required. This ASU is effective for annual and interim reporting periods beginning after December 15, 2017, and early adoption was permitted. The retrospective transition method, requiring adjustment to all comparative periods presented, is required. The Company expects adoption of this ASU to result in reclassifications of restricted cash inflows and outflows in the statement of cash flows.

In August 2016, the FASB issued ASU 2016-15 which addresses eight cash flow classification issues, eliminating the diversity in practice. This ASU is effective for annual and interim reporting periods beginning after December 15, 2017, and early adoption was permitted. The retrospective transition method, requiring adjustment to all comparative periods presented, is required unless it is impracticable for some of the amendments, in which case those amendments would be prospectively applied as of the earliest date practicable. The Company expects adoption of this ASU to impact the classification of contingent consideration payments.

In March 2016, the FASB issued ASU 2016-09 which simplifies various aspects related to how share-based payments are accounted for and presented in the financial statements, including the income tax consequences, classification of awards as either equity or liabilities, forfeitures and classification of excess tax benefits on the statement of cash flows. This ASU was effective for annual and interim reporting periods beginning after December 15, 2016, and early adoption was permitted. Upon adoption, any adjustments are to be reflected as of the beginning of the fiscal year of adoption. The Company adopted this ASU during the first quarter of 2017.

The new standard requires excess tax benefits and deficiencies, which arise due to the difference in the measure of stock compensation and the amount deductible for tax purposes, to be recorded in earnings in income tax expense. These excess tax benefits and deficiencies were generally previously recorded in additional paid-in capital and had no impact on net income. The standard required prospective adoption for this portion of the new guidance. During 2017, the Company recognized \$ 12.9 million of excess tax benefit, including state taxes, in income tax expense in the accompanying consolidated statements of operations and comprehensive income. Additionally, the new standard requires the excess tax benefits and deficiencies to be classified as an operating activity in the accompanying consolidated statements of cash flows. These excess tax benefits and deficiencies were previously recorded as a financing activity in the statement of cash flows. The standard allowed for either prospective or retrospective adoption for the change in presentation in the statement of cash flows. The Company elected to retrospectively adopt the classification change in the statement of cash flows. Accordingly, prior periods have been adjusted to increase the cash provided by operating activities and decrease the cash provided by financing activities by \$ 5.8 million and \$ 4.6 million in 2016 and 2015, respectively, within the accompanying consolidated statements of cash flows. The standard also allows for an election by the Company to either estimate forfeitures, as required under previous guidance, or recognize forfeitures when they occur. The Company elected to recognize forfeitures of stock awards as they occur, with the modified retrospective transition method required. Accordingly, the Company recognized a \$1.4 million cumulative-effect adjustment to retained earnings as of January 1, 2017.

In February 2016, the FASB issued ASU 2016-02 related to leases. This ASU requires the recognition of a right-of-use lease asset and a lease liability by lessees for all leases greater than one year in duration. This ASU is effective for annual and interim reporting periods beginning after December 15, 2018, with early adoption permitted. The guidance must be adopted using a

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modified retrospective transition. The Company is evaluating the impact this ASU will have on its consolidated financial statements and whether to early adopt.

In May 2014, the FASB issued ASU 2014-09 related to revenue recognition. This ASU was initiated as a joint project between the FASB and the International Accounting Standards Board ("IASB") to clarify the principles for recognizing revenue and to develop a common revenue standard for GAAP and international financial reporting standards ("IFRS"). This guidance will supersede the existing revenue recognition requirements in ASC Topic 605, Revenue Recognition and was set to be effective for annual reporting periods beginning after December 15, 2016. However, in July 2015, the FASB deferred the effective date by one year, such that the standard will be effective for annual reporting periods beginning after December 15, 2017. The ASU can be applied (i) retrospectively to each prior period presented or (ii) retrospectively with the cumulative effect of initially adopting the ASU recognized at the date of initial application. In March 2016, the FASB issued ASU 2016-08, which clarifies the principal versus agent guidance under ASU 2014-09. In April 2016, the FASB issued ASU 2016-10, which clarifies the identification of distinct performance obligations in a contract. In May 2016, the FASB issued ASU 2016-12, which clarifies the guidance on assessing collectability, presenting sales taxes, measuring noncash consideration and certain other transition matters. The clarification ASUs must be adopted concurrently with the adoption of ASU 2014-09. The Company will adopt the ASUs as of January 1, 2018 and apply the modified retrospective transition approach. Under this approach, revenue for 2016 and 2017 will be reported in the consolidated statements of operations and comprehensive income under ASC 605 and revenue for 2018 will be reported in the consolidated statements of operations and comprehensive income applying the new ASUs. Additionally, the Company will disclose revenue for 2018 periods under ASC 605 in the footnotes to the financial statements. Under the new ASUs, the timing of recognizing revenue for closing fees and approval fees will be accelerated to the point when a loan request or a credit card consumer is delivered to the customer as opposed to when the consumer loan is closed by the lender or credit card approval is made by the issuer and communicated to the Company. The Company does not expect the adoption of the ASUs to have a material effect on annual revenue, net income from continuing operations or financial position.

**NOTE 3—RESTRICTED CASH**

Restricted cash and cash equivalents consists of the following (*in thousands*) :

	December 31, 2017	December 31, 2016
Cash in escrow from sale of LendingTree Loans <sup>(a)</sup>	\$ 4,034	\$ 4,032
Other	57	57
<b>Total restricted cash and cash equivalents</b>	<b>\$ 4,091</b>	<b>\$ 4,089</b>

(a) HLC, a subsidiary of the Company, continues to be liable for certain indemnification obligations, repurchase obligations and premium repayment obligations following the sale of substantially all of the operating assets of its LendingTree Loans business in the second quarter of 2012.

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**NOTE 4 —PROPERTY AND EQUIPMENT**

The balance of property and equipment, net is as follows *(in thousands)* :

	December 31, 2017	December 31, 2016
Land	\$ 5,818	\$ 5,818
Building	14,984	14,679
Site improvements	950	950
Computer equipment and capitalized software	16,885	14,886
Leasehold improvements	3,257	3,048
Furniture and other equipment	1,203	826
Aircraft and automobile	2,621	1,988
Projects in progress	3,756	3,006
<b>Total gross property and equipment</b>	<b>49,474</b>	<b>45,201</b>
Accumulated depreciation	(13,043)	(9,739)
<b>Total property and equipment, net</b>	<b>\$ 36,431</b>	<b>\$ 35,462</b>

Unamortized capitalized software development costs, in service or under development, are \$9.5 million and \$9.4 million at December 31, 2017 and 2016 , respectively. Capitalized software development depreciation expense was \$5.7 million , \$4.3 million and \$2.6 million for the years ended December 31, 2017 , 2016 and 2015 , respectively.

In December 2016, the Company acquired two office buildings in Charlotte, North Carolina for \$23.5 million in cash, which included \$0.1 million in acquisition-related costs which were capitalized. The Company intends to utilize one or both buildings in the future as the corporate headquarters and to continue to rent any unused space. The acquisition has been accounted for as an asset purchase and the allocation of the purchase price to the assets acquired is as follows *(in thousands)* :

	Fair Value	Weighted Average Depreciation Life
Land	\$ 5,818	N/A
Building	14,679	34.0 years
Site improvements	950	6.6 years
Tenant leases	2,029	3.2 years
Total purchase price	\$ 23,476	

Future rental income from the building tenants as of December 31, 2017 under operating lease agreements having an initial or remaining non-cancelable lease term in excess of one year are as follows *(in thousands)* :

Year ending December 31,	Amount
2018	\$ 815
2019	558
2020	574
2021	188
2022	37
Thereafter	102
<b>Total</b>	<b>\$ 2,274</b>

Rental income of \$1.6 million in 2017 is included in other income on the accompanying consolidated statement of operations and comprehensive income.

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**NOTE 5—GOODWILL AND INTANGIBLE ASSETS**

The balance of goodwill, net is as follows (*in thousands*) :

	Goodwill	Accumulated Impairment Loss	Net Goodwill
<b>Balance at December 31, 2015</b>	<b>\$ 486,720</b>	<b>\$ (483,088)</b>	<b>\$ 3,632</b>
Acquisition of CompareCards	52,450	—	52,450
Acquisition of SimpleTuition	375	—	375
<b>Balance at December 31, 2016</b>	<b>\$ 539,545</b>	<b>\$ (483,088)</b>	<b>\$ 56,457</b>
Acquisition of DepositAccounts	19,389	—	19,389
Acquisition of MagnifyMoney	23,784	—	23,784
Acquisition of SnapCap	13,738	—	13,738
<b>Balance at December 31, 2017</b>	<b>\$ 596,456</b>	<b>\$ (483,088)</b>	<b>\$ 113,368</b>

The balance of intangible assets, net is as follows (*in thousands*) :

	December 31, 2017	December 31, 2016
Intangible assets with indefinite lives	\$ 10,142	\$ 10,142
Intangible assets with definite lives, net	70,983	61,542
<b>Total intangible assets, net</b>	<b>\$ 81,125</b>	<b>\$ 71,684</b>

**Goodwill and Indefinite-Lived Intangible Assets**

The Company's goodwill is associated with its one reportable segment. The carrying amount of goodwill increased during the year ended December 31, 2017 due to the acquisitions of DepositAccounts, MagnifyMoney and SnapCap, and increased during the year ended December 31, 2016 due to the acquisitions of CompareCards and SimpleTuition. See Note 6 —Business Acquisitions for a discussion of the acquisitions and associated goodwill. Results of the annual impairment test as of October 1, 2017 indicated that no impairment had occurred.

Intangible assets with indefinite lives relate to the Company's trademarks. Results of the annual impairment test as of October 1, 2017 indicated that no impairment had occurred.

**Intangible Assets with Definite Lives**

Intangible assets with definite lives relate to the following (*dollars in thousands*) :

	Weighted Average Amortization Life	Cost	Accumulated Amortization	Net
Technology	4.2 years	\$ 37,500	\$ (8,694)	\$ 28,806
Customer lists	11.3 years	33,100	(3,239)	29,861
Trademarks and trade names	4.5 years	6,942	(1,992)	4,950
Tenant leases	3.3 years	1,362	(504)	858
Website content	3.0 years	7,800	(1,300)	6,500
Other	3.0 years	256	(248)	8
<b>Balance at December 31, 2017</b>		<b>\$ 86,960</b>	<b>\$ (15,977)</b>	<b>\$ 70,983</b>

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	Weighted Average Amortization Life	Cost	Accumulated Amortization	Net
Technology	4.0 years	\$ 28,300	\$ (659)	\$ 27,641
Customer lists	11.7 years	28,100	(639)	27,461
Trademarks and trade names	4.5 years	5,342	(937)	4,405
Tenant leases	3.2 years	2,030	—	2,030
Other	3.0 years	250	(245)	5
<b>Balance at December 31, 2016</b>		<b>\$ 64,022</b>	<b>\$ (2,480)</b>	<b>\$ 61,542</b>

Amortization of intangible assets with definite lives is computed on a straight-line basis and, based on balances as of December 31, 2017, future amortization is estimated to be as follows (*in thousands*) :

	Amortization Expense
Year ending December 31, 2018	\$ 16,250
Year ending December 31, 2019	15,995
Year ending December 31, 2020	13,970
Year ending December 31, 2021	5,763
Year ending December 31, 2022	3,902
Thereafter	15,103
<b>Total intangible assets with definite lives, net</b>	<b>\$ 70,983</b>

See Note 6 —Business Acquisitions for a discussion of the DepositAccounts, MagnifyMoney, SnapCap and CompareCards acquisitions and associated intangibles.

In December 2016, the Company acquired two office buildings in Charlotte, North Carolina. See Note 4 —Property and Equipment for a discussion of the purchase and associated intangibles.

**NOTE 6 —BUSINESS ACQUISITIONS**

**2017 Acquisitions**

**SnapCap**

On September 19, 2017, the Company acquired certain assets of Snap Capital LLC, which does business under the name SnapCap (“SnapCap”). SnapCap, a tech-enabled online platform, connects business owners with lenders offering small business loans, lines of credit and merchant cash advance products through a concierge-based sales approach.

The Company paid \$11.9 million of initial cash consideration and could make up to three additional contingent consideration payments, each ranging from zero to \$3.0 million, based on certain defined operating results during the periods of October 1, 2017 through September 30, 2018, October 1, 2018 through September 30, 2019 and October 1, 2019 through March 31, 2020. These additional payments, to the extent earned, will be payable in cash. The purchase price for the acquisition is \$18.2 million, comprised of the upfront cash payment of \$11.9 million and \$6.3 million for the estimated fair value of the contingent consideration.

As of December 31, 2017, the estimated fair value of the contingent consideration totaled \$7.0 million, which is included in non-current contingent consideration in the accompanying balance sheet. The estimated fair value of the contingent consideration payments is determined using an option pricing model. The estimated value of the contingent consideration is based upon available information and certain assumptions, known at the time of this report, which management believes are reasonable. Any differences in the actual contingent consideration payments will be recorded in operating income in the consolidated statements of operations and comprehensive income. During 2017, the Company recorded \$0.7 million of contingent consideration expense in the consolidated statement of operations and comprehensive income due to the change in estimated fair value of the contingent consideration.



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The acquisition has been accounted for as a business combination. During 2017, the Company completed the determination of the final allocation of purchase price to the assets acquired and liabilities assumed as follows (*in thousands*) :

	<b>Fair Value</b>
Net working capital and other assets	\$ 42
Fixed assets	146
Intangible assets	4,300
Goodwill	13,738
<b>Total purchase price</b>	<b>\$ 18,226</b>

The Company primarily used the income approach for the valuation as appropriate, and used valuation inputs in these models and analyses that were based on market participant assumptions. Market participants are buyers and sellers unrelated to the Company and fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date.

The acquired intangible assets are definite-lived assets consisting primarily of developed technology, customer relationships and trade name and trademarks. The estimated fair values of the developed technology were determined using cost savings analysis, the customer relationships were determined using the excess earnings analysis method and the trade name and trademarks were determined using relief from royalty analysis. The fair value of the intangible assets with definite lives are as follows (*dollars in thousands*) :

	<b>Fair Value</b>	<b>Weighted Average Amortization Life</b>
Technology	\$ 400	3 years
Customer lists	3,300	10 years
Trade name and trademarks	600	5 years
<b>Total intangible assets</b>	<b>\$ 4,300</b>	<b>8.7 years</b>

The Company recorded goodwill of \$13.7 million, which represents the excess of the purchase price over the estimated fair value of the intangible assets acquired. The goodwill is primarily attributable to SnapCap as a going concern which represents the ability of the Company to earn a higher return on the collection of assets and business of SnapCap than if those assets were to be acquired and managed separately. The benefit of access to the workforce is an additional element of goodwill. The goodwill is recorded in the Company's one reportable segment. For income tax purposes, the acquisition was an asset purchase and the goodwill will be tax deductible. Acquisition-related costs were \$0.3 million in 2017 and are included in general and administrative expense on the consolidated statement of operations and comprehensive income.

### **MagnifyMoney**

On June 20, 2017, the Company acquired the membership interests of Camino Del Avion (Delaware), LLC, which does business under the name MagnifyMoney ("MagnifyMoney") for \$29.6 million cash consideration at the closing of the transaction. Camino del Avion (Delaware), LLC was immediately merged with and into LendingTree, LLC following such acquisition. MagnifyMoney is a leading consumer-facing media property that offers editorial content, expert commentary, tools and resources to help consumers compare financial products and make informed financial decisions. The Company also has an option to acquire a foreign affiliate for an estimated fair value of \$0.5 million at any time during the three years after the closing. This foreign affiliate provides technology and research support to MagnifyMoney under a services agreement.

In addition, the Company issued two key employees of MagnifyMoney restricted stock unit awards for a total of 38,468 shares of Company common stock, and may issue a further restricted stock unit award for 19,234 shares to a third key employee of the foreign affiliate should he become employed by the Company following the Company's exercise of the option to acquire the foreign affiliate. The total value of these restricted stock unit awards was \$10.0 million on June 20, 2017. All of these restricted stock units will vest, if at all, on the basis of performance conditions following the acquisition.

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The acquisition has been accounted for as a business combination. During 2017, the Company completed the determination of the final allocation of purchase price to the assets acquired and liabilities assumed as follows (*in thousands*) :

	<b>Fair Value</b>
Net working capital	\$ 921
Intangible assets	9,700
Goodwill	23,784
Deferred tax liabilities	(4,176)
Noncontrolling interest	(637)
<b>Total purchase price</b>	<b>\$ 29,592</b>

The Company primarily used the income approach for the valuation as appropriate, and used valuation inputs in these models and analyses that were based on market participant assumptions. Market participants are buyers and sellers unrelated to the Company and fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date.

The acquired intangible assets are definite-lived assets consisting primarily of content, developed technology, customer relationships and trade name and trademarks. The estimated fair values of the content was determined using excess earnings analysis, developed technology was determined using cost savings analysis, the customer relationships were determined using the distributor method and the trade name and trademarks were determined using relief from royalty analysis.

The fair value of the intangible assets with definite lives are as follows (*dollars in thousands*) :

	<b>Fair Value</b>	<b>Weighted Average Amortization Life</b>
Technology	\$ 200	3 years
Customer lists	1,100	9 years
Trade name and trademarks	600	4 years
Content	7,800	3 years
<b>Total intangible assets</b>	<b>\$ 9,700</b>	<b>3.7 years</b>

The Company recorded goodwill of \$23.8 million, which represents the excess of the purchase price over the estimated fair value of the tangible and intangible assets acquired, net of the liabilities assumed. The goodwill is primarily attributable to MagnifyMoney as a going concern which represents the ability of the Company to earn a higher return on the collection of assets and business of MagnifyMoney than if those assets were to be acquired and managed separately. The benefit of access to the workforce is an additional element of goodwill. The goodwill is recorded in the Company's one reportable segment. For income tax purposes, the acquisition was an equity purchase and the goodwill will not be tax deductible. Acquisition-related costs were \$0.4 million in 2017 and are included in general and administrative expense on the consolidated statement of operations and comprehensive income.

The Company has determined that the foreign entity which provides technology and research support to MagnifyMoney under a services agreement is a variable interest entity which must be consolidated for financial reporting. The Company has recorded the assets, liabilities and non-controlling interest in this entity at their estimated fair value.

#### **DepositAccounts**

On June 14, 2017, the Company acquired substantially all of the assets of Deposits Online, LLC, which does business under the name DepositAccounts.com ("DepositAccounts"). DepositAccounts is a leading consumer-facing media property in the depository industry and is one of the most comprehensive sources of depository deals and analysis on the Internet, covering all major deposit product categories through editorial content, programmatic rate tables and user-generated content.

The Company paid \$24.0 million of initial cash consideration and could make additional contingent consideration payments of up to \$9.0 million. The potential contingent consideration payments are comprised of (i) up to seven payments of \$1.0 million each based on specified increases in Federal Funds interest rates during the period commencing on the closing date and ending on June 30, 2020 and (ii) a one-time performance payment of up to \$2.0 million based on the net revenue of deposit products during the period of January 1, 2018 through December 31, 2018. These additional payments, to the extent earned, will be payable in

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cash. The purchase price for the acquisition is \$29.0 million, comprised of the upfront cash payment of \$24.0 million and \$5.0 million for the estimated fair value of the contingent consideration at the time of closing the acquisition.

In the third quarter of 2017, the Company made a payment of \$1.0 million associated with a specified increase in the Federal Funds rate in June 2017. As of December 31, 2017, the estimated fair value of the contingent consideration totaled \$6.0 million, of which \$1.7 million is included in current contingent consideration and \$4.3 million is included in non-current contingent consideration in the accompanying consolidated balance sheet. The estimated fair value of the portion of the contingent consideration payments based on increases in interest rates is determined using a scenario approach based on the interest rate forecasts of Federal Open Market Committee participants. The estimated fair value of the portion of the contingent consideration payments potentially earned based on net revenue is determined using an option pricing model. The estimated value of the contingent consideration is based upon available information and certain assumptions, known at the time of this report, which management believes are reasonable. Any differences in the actual contingent consideration payments will be recorded in operating income in the consolidated statements of operations and comprehensive income. During 2017, the Company recorded \$2.0 million of contingent consideration expense in the consolidated statement of operations and comprehensive income due to the change in estimated fair value of the contingent consideration.

The acquisition has been accounted for as a business combination. During 2017, the Company completed the determination of the final allocation of purchase price to the assets acquired and liabilities assumed as follows (*in thousands*) :

	Fair Value
Intangible assets	\$ 9,600
Goodwill	19,389
<b>Total purchase price</b>	<b>\$ 28,989</b>

The Company primarily used the income approach for the valuation as appropriate, and used valuation inputs in these models and analyses that were based on market participant assumptions. Market participants are buyers and sellers unrelated to the Company and fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date.

The acquired intangible assets are definite-lived assets consisting primarily of developed technology, customer relationships and trade name and trademarks. The estimated fair values of the developed technology were determined using excess earnings analysis, the customer relationships were determined using the distributor method and the trade name and trademarks were determined using relief from royalty analysis. The fair value of the intangible assets with definite lives are as follows (*dollars in thousands*) :

	Fair Value	Weighted Average Amortization Life
Technology	\$ 8,600	5 years
Customer lists	600	8 years
Trade name and trademarks	400	4 years
<b>Total intangible assets</b>	<b>\$ 9,600</b>	<b>5.2 years</b>

The Company recorded goodwill of \$19.4 million, which represents the excess of the purchase price over the estimated fair value of the intangible assets acquired. The goodwill is primarily attributable to DepositAccounts as a going concern which represents the ability of the Company to earn a higher return on the collection of assets and business of DepositAccounts than if those assets were to be acquired and managed separately. The benefit of access to the workforce is an additional element of goodwill. The goodwill is recorded in the Company's one reportable segment. For income tax purposes, the acquisition was an asset purchase and the goodwill will be tax deductible. Acquisition-related costs were \$0.3 million in 2017 and are included in general and administrative expense on the consolidated statement of operations and comprehensive income.

### 2016 Acquisitions

#### **CompareCards**

On November 16, 2016, the Company acquired all of the membership interests of Iron Horse Holdings, LLC, which does business under the name CompareCards ("CompareCards"). CompareCards is an online marketing platform for credit cards, which the Company is utilizing to grow its existing credit card business. The Company paid \$80.7 million in initial cash consideration

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and agreed to make two earnout payments, each up to \$22.5 million, based on the amount of earnings before interest, taxes, depreciation and amortization CompareCards generates during the periods of January 1, 2017 through December 31, 2017 and January 1, 2018 through December 31, 2018, or up to \$45.0 million in aggregate payments. The purchase price for the acquisition is \$103.8 million comprised of an upfront cash payment of \$80.7 million on November 16, 2016 and \$23.1 million for the estimated fair value of the earnout payments at the time of closing the acquisition. In February 2018, the Company paid \$22.5 million related to the earnout payment for the period of January 1, 2017 through December 31, 2017.

As of December 31, 2017, the estimated fair value of the earnout payments totaled \$44.3 million, which is included in current contingent consideration in the accompanying consolidated balance sheet. The estimated fair value of the earnout payments is determined using an option pricing model. The estimated value of the earnout payments is based upon available information and certain assumptions, known at the time of this report, which management believes are reasonable. Any differences in the actual earnout payments from the current estimated fair value of the earnout payments will be recorded in operating income in the consolidated statements of operations. During 2017, the Company recorded \$21.2 million of contingent consideration expense in the consolidated statement of operations and comprehensive income due to the change in estimated fair value of the earnout payments.

The acquisition has been accounted for as a business combination. During 2017, the Company completed the determination of the final allocation of the purchase price with respect to the assets acquired and liabilities assumed as follows (*in thousands*):

	<b>Fair Value</b>
Accounts receivable	\$ 3,538
Intangible assets	55,400
Goodwill	52,450
Accounts payable and accrued liabilities	(7,638)
<b>Total purchase price</b>	<b>\$ 103,750</b>

The Company primarily used the income approach for the valuation as appropriate, and used valuation inputs in these models and analyses that were based on market participant assumptions. Market participants are buyers and sellers unrelated to the Company and fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date.

The acquired intangible assets are definite-lived assets consisting primarily of developed technology, customer relationships, and trade name and trademarks. The estimated fair values of the developed technology was determined using excess earnings analysis, the customer relationships were determined using the distributor method and the trade name and trademarks were determined using relief from royalty analysis. The fair value of the intangible assets with definite lives are as follows (*dollars in thousands*):

	<b>Fair Value</b>	<b>Weighted Average Amortization Life</b>
Technology	\$ 27,900	4 years
Customer lists	23,200	12 years
Trade name and trademarks	4,300	5 years
<b>Total intangible assets</b>	<b>\$ 55,400</b>	<b>7.4 years</b>

The Company recorded goodwill of \$52.5 million, which represents the excess of the purchase price over the estimated fair value of tangible and intangible assets acquired, net of the liabilities assumed. The goodwill is primarily attributable to CompareCards as a going concern, which represents the ability of the Company to earn a higher return on the collection of assets and business of CompareCards than if those assets and business were to be acquired and managed separately. The benefit of access to the work force is an additional relevant element of goodwill. The goodwill is recorded in the Company's one reportable segment. For income tax purposes, the acquisition was an asset purchase and the goodwill will be tax deductible.

Acquisition-related costs of \$0.1 million and \$0.4 million in 2017 and 2016, respectively, are included in general and administrative expense on the consolidated statement of operations and comprehensive income.

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**SimpleTuition, Inc.**

On May 31, 2016, the Company acquired certain assets of SimpleTuition, Inc. ("SimpleTuition"), a leading online marketing platform for student loans, for \$5.0 million of cash consideration. Of the purchase price, \$4.5 million was funded with available cash on hand and \$0.5 million was held-back in satisfaction of any potential claims.

The acquisition has been accounted for as a business combination. During the quarter ended September 30, 2016, the Company completed its determination of the final allocation of the purchase price with respect to the acquired assets. The Company has recorded the \$5.0 million paid to the tangible and identifiable intangible assets based on their fair value, with the residual recorded to goodwill in the Company's one reportable segment. No liabilities were assumed. Acquisition-related costs were \$0.1 million for 2016 and are included in general and administrative expense on the consolidated statements of operations and comprehensive income. The allocation of the purchase price to the assets acquired is as follows (*dollars in thousands*) :

	Fair Value	Weighted Average Amortization Life
Accounts receivable	\$ 125	N/A
Total intangible assets with definite lives, net	\$ 4,500	9.2 years
Goodwill	\$ 375	N/A

The purchase was an asset acquisition for income tax purposes and the Company will deduct the recognized goodwill for income tax purposes. The acquisition of SimpleTuition was not considered significant to the accompanying consolidated financial statements.

*Pro forma Financial Results and Other Information*

The unaudited pro forma financial results for the years ended December 31, 2017 and 2016 combine the consolidated results of the Company and CompareCards, DepositAccounts, MagnifyMoney and SnapCap giving effect to the acquisitions as if the CompareCards acquisition had been completed on January 1, 2015 and as if the DepositAccounts, MagnifyMoney and SnapCap acquisitions had been completed on January 1, 2016. This unaudited pro forma financial information is presented for informational purposes only and is not indicative of future operations or results had the acquisitions been completed as of January 1, 2015 or 2016, or any other date.

The unaudited pro forma financial results include adjustments for additional amortization expense based on the fair value of the intangible assets with definite lives and their estimated useful lives. The provision for income taxes from continuing operations has also been adjusted to reflect taxes on the historical results of operations of CompareCards, DepositAccounts and SnapCap. CompareCards, DepositAccounts and SnapCap did not pay taxes at the entity level as these entities were limited liability companies whose members elected for them to be taxed as a partnership.

	2017	2016
	<i>(in thousands)</i>	
Pro forma revenue	\$ 626,578	\$ 461,969
Pro forma net income from continuing operations	\$ 19,575	\$ 31,139

The unaudited pro forma net income from continuing operations in 2017 include the aggregate after tax contingent consideration expense associated with the CompareCards, DepositAccounts and SnapCap earnouts of \$14.4 million . The unaudited pro forma net income from continuing operations for 2016 has been adjusted to include acquisition-related costs of \$1.0 million incurred by the Company, DepositAccounts, MagnifyMoney and SnapCap that are directly attributable to the acquisitions, which will not have an ongoing impact. Accordingly, the acquisition-related costs have been eliminated from the unaudited pro forma net income from continuing operations for 2017.

The Company's consolidated results of operations include the results of the business acquisitions completed in 2017 as of the acquisition dates. In 2017, revenue of \$9.2 million and net income from continuing operations of \$1.5 million , which excludes any contingent consideration expense associated with the acquisitions, have been included in the Company's consolidated results of operations.

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**NOTE 7—ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES**

Accrued expenses and other current liabilities consist of the following (*in thousands*) :

	December 31, 2017	December 31, 2016
Accrued litigation liabilities	\$ 346	\$ 736
Accrued advertising expense	40,727	26,976
Accrued compensation and benefits	7,679	5,626
Accrued professional fees	2,072	1,411
Customer deposits and escrows	5,564	5,041
Contribution to LendingTree Foundation	10,000	—
Other	10,795	9,613
<b>Total accrued expenses and other current liabilities</b>	<b>\$ 77,183</b>	<b>\$ 49,403</b>

**NOTE 8—SHAREHOLDERS' EQUITY**

Basic and diluted income (loss) per share was determined based on the following share data (*in thousands*) :

	Year Ended December 31,		
	2017	2016	2015
<b>Weighted average basic common shares</b>	11,945	11,812	11,516
Effect of stock options	1,626	886	866
Effect of dilutive share awards	111	75	159
Effect of Convertible Senior Notes	—	—	—
<b>Weighted average diluted common shares</b>	<b>13,682</b>	<b>12,773</b>	<b>12,541</b>

For the year ended December 31, 2017, the weighted average shares that were anti-dilutive, and therefore excluded from the calculation of diluted income per share, included options to purchase 0.1 million shares of common stock.

The 0.625% Convertible Senior Notes due June 1, 2022 and the warrants issued by the Company in the second quarter of 2017 could be converted into the Company's common stock in the future, subject to certain contingencies. See Note 11—Debt for additional information. Shares of the Company's common stock associated with these instruments were excluded from the calculation of diluted income per share during 2017 as they were anti-dilutive since the conversion price of the Convertible Senior Notes and the strike price of the warrants were greater than the average market price of the Company's common stock.

See Note 9—Stock-Based Compensation for a full description of outstanding equity awards.

**Common Stock Repurchases**

In each of January 2010, May 2014, January 2016 and February 2016, the board of directors authorized and the Company announced the repurchase of up to \$10.0 million, \$10.0 million, \$50.0 million and \$40.0 million, respectively, of LendingTree's common stock. During the years ended December 31, 2017, 2016 and 2015, the Company purchased 75,393, 690,218 and 5,250 shares, respectively, of its common stock for aggregate consideration of \$21.0 million, \$48.5 million and \$0.2 million, respectively. At December 31, 2017, \$27.7 million remains authorized for share repurchase.

**Equity Offering**

In November 2015, the Company completed an equity offering of 852,500 shares of its common stock. The common stock was issued at a price of \$115.00 per share. The Company received net proceeds of \$91.5 million, after deducting approximately \$5.9 million in underwriting discounts and \$0.7 million in offering expenses.

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**NOTE 9 —STOCK-BASED COMPENSATION**

The Company currently has two active plans, the Fifth Amended and Restated LendingTree 2008 Stock and Annual Incentive Plan (the "Equity Award Plan") and the LendingTree 2017 Inducement Grant Plan (the "Inducement Plan"), under which future awards may be granted, which currently covers outstanding stock options to acquire shares of the Company's common stock, restricted stock, RSUs and RSUs with performance conditions, and provides for the future grants of these and other equity awards. Under the Equity Award Plan and the Inducement Plan, the Company is authorized to grant stock options, restricted stock, RSUs and other equity-based awards for up to 5.35 million and 0.5 million shares, respectively, of LendingTree common stock to employees, and, under the Equity Award Plan only, to non-employee consultants and directors.

The Equity Award Plan and Inducement Plan each have a stated term of ten years and provide that the exercise price of stock options granted will not be less than the market price of the common stock on the grant date. The Equity Award Plan and Inducement Plan do not specify grant dates or vesting schedules, as those determinations are delegated to the Compensation Committee of the board of directors. Each grant agreement reflects the vesting schedule for that particular grant, as determined by the Compensation Committee. The Compensation Committee has the authority to modify the vesting provisions of an award.

Non-cash compensation related to equity awards is included in the following line items in the accompanying consolidated statements of operations and comprehensive income (*in thousands*) :

	Year Ended December 31,		
	2017	2016	2015
Cost of revenue	\$ 175	\$ 129	\$ 95
Selling and marketing expense	3,973	2,722	1,597
General and administrative expense	16,874	4,699	5,120
Product development	2,339	2,097	1,558
Restructuring and severance	—	—	138
<b>Total non-cash compensation</b>	<b>\$ 23,361</b>	<b>\$ 9,647</b>	<b>\$ 8,508</b>

For the years ended December 31, 2017, 2016 and 2015, the Company recognized \$9.5 million, \$3.7 million and \$3.0 million of income tax benefit related to non-cash compensation. Additionally, for the year ended December 31, 2017, the Company recognized \$ 12.9 million of excess tax benefit, including state taxes, in income tax expense. See Note 2—Significant Accounting Policies—Recent Accounting Pronouncements, for additional information regarding excess tax benefits and deficiencies.

**Stock Options**

A summary of the changes in outstanding stock options is as follows:

	Number of Options	Weighted Average Exercise Price <i>(per option)</i>	Weighted Average Remaining Contractual Term <i>(in years)</i>	Aggregate Intrinsic Value <sup>(a)</sup> <i>(in thousands)</i>
<b>Outstanding at December 31, 2016</b>	1,991,802	\$ 21.23		
Granted	112,059	207.79		
Exercised	(219,094)	31.29		
Forfeited	(21,028)	70.90		
Expired	—	—		
<b>Outstanding at December 31, 2017</b>	<b>1,863,739</b>	<b>\$ 30.70</b>	<b>4.46</b>	<b>\$ 577,295</b>
<b>Options exercisable</b>	<b>1,036,757</b>	<b>\$ 11.56</b>	<b>2.34</b>	<b>\$ 340,976</b>

(a) The aggregate intrinsic value represents the total pre-tax intrinsic value (the difference between the Company's closing stock price of \$340.45 on the last trading day of 2017 and the exercise price, multiplied by the number of shares covered by in-the-money options) that would have been received by the option holder had the option holder exercised these options on December 31, 2017. The intrinsic value changes based on the market value of the Company's common stock.

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As of December 31, 2017, there was approximately \$12.1 million of unrecognized compensation cost related to stock options. These costs are expected to be recognized over a weighted-average period of approximately 0.6 years.

Upon exercise, the intrinsic value represents the pre-tax difference between the Company's closing stock price on the exercise date and the exercise price, multiplied by the number of stock options exercised. During the years ended December 31, 2017, 2016 and 2015, the total intrinsic value of stock options that were exercised was \$27.7 million, \$0.3 million and \$5.9 million, respectively. Cash received from stock option exercises and the related actual tax benefit realized were \$6.9 million and \$11.3 million, respectively, for the year ended December 31, 2017.

During the years ended December 31, 2017, 2016 and 2015, the Company granted stock options with a weighted average grant date fair value per share of \$105.15, \$40.05, and \$27.60, respectively, of which the vesting periods include (a) immediately upon grant, (b) five months from the grant date, (c) one year from the grant date, (d) 50% over a period of two years from the grant date, (e) 25% and 75% over a period of 1.7 years and 2.7 years, respectively, (f) 33% over a period of three years from the grant date, (g) 25% and 75% over a period of two years and three years, respectively, (h) four years from the grant date and (i) 25% over a period of four years from the grant date.

For purposes of determining stock-based compensation expense, the weighted average grant date fair value per share of the stock options was estimated using the Black-Scholes option pricing model, which requires the use of various key assumptions. The weighted average assumptions used are as follows:

	Year Ended December 31,		
	2017	2016	2015
Expected term <sup>(1)</sup>	5.00 - 7.00 years	5.22 - 6.38 years	5.21 - 6.23 years
Expected dividend <sup>(2)</sup>	—	—	—
Expected volatility <sup>(3)</sup>	51% - 52%	48% - 53%	38% - 48%
Risk-free interest rate <sup>(4)</sup>	1.74% - 2.24%	1.10% - 2.18%	1.65% - 2.01%

- (1) The expected term of stock options granted was calculated using the 'Simplified Method', which utilizes the midpoint between the weighted average time of vesting and the end of the contractual term. This method was utilized for the stock options due to a lack of historical exercise behavior by the Company's employees.
- (2) For all stock options granted during the years ended December 31, 2017, 2016 and 2015, no dividends are expected to be paid over the contractual term of the stock options, resulting in a zero expected dividend rate.
- (3) The expected volatility rate is based on the historical volatility of the Company's common stock.
- (4) The risk-free interest rate is specific to the date of grant. The risk-free interest rate is based on U.S. Treasury yields for notes with comparable expected terms as the awards, in effect at the grant date.

During the years ended December 31, 2017, 2016 and 2015, the total fair value of options vested was \$4.1 million, \$0.9 million and \$0.8 million, respectively.

**Stock Options with Performance Conditions**

During 2017, the Company granted stock options with performance conditions with a weighted average grant date fair value per share of \$152.45, of which vesting periods range from 1.2 years to 2.2 years, pending the attainment of certain performance targets set at the time of grant.



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A summary of the changes in outstanding stock options with performance conditions is as follows:

	Number of Options	Weighted Average Exercise Price <i>(per option)</i>	Weighted Average Remaining Contractual Term <i>(in years)</i>	Aggregate Intrinsic Value <sup>(a)</sup> <i>(in thousands)</i>
<b>Outstanding at December 31, 2016</b>	—	\$ —		
Granted	37,877	308.90		
Exercised	—	—		
Forfeited	—	—		
Expired	—	—		
<b>Outstanding at December 31, 2017</b>	<b>37,877</b>	<b>\$ 308.90</b>	<b>9.95</b>	<b>\$ 1,195</b>
<b>Options exercisable</b>	<b>—</b>	<b>\$ —</b>	<b>0.00</b>	<b>\$ —</b>

(a) The aggregate intrinsic value represents the total pre-tax intrinsic value (the difference between the Company's closing stock price of \$340.45 on the last trading day of 2017 and the exercise price, multiplied by the number of shares covered by in-the-money options) that would have been received by the option holder had the option holder exercised these options on December 31, 2017. The intrinsic value changes based on the market value of the Company's common stock.

As of December 31, 2017, there was approximately \$2.3 million of unrecognized compensation cost related to stock options with performance conditions. These costs are expected to be recognized over a weighted-average period of approximately 1.6 years.

As of December 31, 2017, the performance conditions associated with the performance-based nonqualified stock options had not been met.

For purposes of determining stock-based compensation expense, the weighted average grant date fair value per share of the stock options was estimated using the Black-Scholes option pricing model, which requires the use of various key assumptions. The weighted average assumptions used are as follows:

Expected term <sup>(1)</sup>	5.5 - 6.00 years
Expected dividend <sup>(2)</sup>	—
Expected volatility <sup>(3)</sup>	51%
Risk-free interest rate <sup>(4)</sup>	2.16% - 2.23%

- (1) The expected term of stock options granted was calculated using the 'Simplified Method', which utilizes the midpoint between the weighted average time of vesting and the end of the contractual term. This method was utilized for the stock options due to a lack of historical exercise behavior by the Company's employees.
- (2) For all stock options granted during the year ended December 31, 2017, no dividends are expected to be paid over the contractual term of the stock options, resulting in a zero expected dividend rate.
- (3) The expected volatility rate is based on the historical volatility of the Company's common stock.
- (4) The risk-free interest rate is specific to the date of grant. The risk-free interest rate is based on U.S. Treasury yields for notes with comparable expected terms as the awards, in effect at the grant date.

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**Restricted Stock Units**

A summary of the changes in outstanding nonvested RSUs is as follows:

	RSUs	
	Number of Units	Weighted Average Grant Date Fair Value (per unit)
<b>Nonvested at December 31, 2016</b>	152,374	\$ 65.64
Granted <sup>(a)</sup>	94,783	152.45
Vested	(78,631)	57.92
Forfeited	(15,697)	82.99
<b>Nonvested at December 31, 2017</b>	<b>152,829</b>	<b>\$ 121.68</b>

(a) The grant date fair value per share of the RSUs is calculated as the closing market price of LendingTree's common stock at the time of grant.

As of December 31, 2017, there was approximately \$13.9 million of unrecognized compensation cost related to RSUs. These costs are expected to be recognized over a weighted-average period of approximately 1.8 years.

The total fair value of RSUs that vested during the years ended December 31, 2017, 2016 and 2015 was \$11.5 million, \$10.1 million and \$11.0 million, respectively.

**Restricted Stock**

A summary of the changes in outstanding nonvested restricted stock is as follows:

	Restricted Stock	
	Number of Shares	Weighted Average Grant Date Fair Value (per share)
<b>Nonvested at December 31, 2016</b>	14,464	\$ 25.14
Granted	—	—
Vested	(14,464)	25.14
Forfeited	—	—
<b>Nonvested at December 31, 2017</b>	<b>—</b>	<b>\$ —</b>

The total fair value of restricted stock that vested during the years ended December 31, 2017, 2016 and 2015 was \$2.1 million, \$3.9 million and \$4.1 million, respectively.

**Restricted Stock Units with Performance Conditions**

During 2017 and 2016, the Company granted RSUs with performance conditions to certain employees, of which vesting periods range from 0.33 years to 4.00 years, pending the attainment of certain performance targets set at the time of grant.

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A summary of the changes in outstanding nonvested RSUs with performance conditions is as follows:

	RSUs with Performance Conditions	
	Number of Units	Weighted Average Grant Date Fair Value <i>(per unit)</i>
<b>Nonvested at December 31, 2016</b>	44,509	\$ 88.28
Granted <sup>(a)</sup>	80,880	186.85
Vested	(1,931)	96.46
Forfeited	(12,253)	83.60
<b>Nonvested at December 31, 2017</b>	<b>111,205</b>	<b>\$ 160.34</b>

(a) The grant date fair value per share of the RSUs with performance conditions is calculated as the closing market price of LendingTree's common stock at the time of grant.

As of December 31, 2017, there was approximately \$13.5 million of unrecognized compensation cost related to RSUs with performance conditions. These costs are expected to be recognized over a weighted-average period of approximately 1.7 years.

The total fair value of RSUs with performance conditions that vested during the years ended December 31, 2017 and 2016 was \$0.4 million and \$0.2 million, respectively.

**Chairman and Chief Executive Officer Grants**

On July 25, 2017, the Company's Compensation Committee approved new compensation arrangements for its Chairman and Chief Executive Officer. The new compensation arrangements include the issuance of performance based equity compensation grants with a modeled total grant date value of \$87.5 million of which 25% (119,015 shares) would be in the form of time-vested restricted stock awards with a performance condition and 75% (a maximum of 769,376 shares) would be in the form of performance-based nonqualified stock options.

**Stock Options with Market Conditions**

The performance-based nonqualified stock options have a target number of shares that vest upon achieving targeted total shareholder return performance of 110% stock price appreciation and a maximum number of shares for achieving superior performance up to 167% of the target number of shares. No shares will vest unless 70% of the targeted performance is achieved. Time-based service vesting conditions would also have to be satisfied in order for performance-vested shares to become fully vested and no longer subject to forfeiture. In connection with the new compensation arrangements, on July 26, 2017, an initial grant of performance-based nonqualified stock options with a target number of shares of 402,694 and a maximum number of shares of 672,499 were issued with an exercise price of \$183.80, the closing stock price on July 26, 2017. The fair value of the performance-based stock options will be recognized on a straight-line basis through the vest date of September 30, 2022, whether or not any of the total shareholder return targets are met. In the year ended December 31, 2017, the Company recorded \$4.8 million in stock-based compensation expense related to these stock options in the consolidated statement of operations and comprehensive income.

The Company's Equity Award Plan imposes a per employee upper annual grant limit of 672,500 shares. As a result, the remaining 58,010 target performance-based nonqualified stock options and potential performance-based restricted stock awards were awarded on January 2, 2018. The form of the awards consisted of 31,336 performance-based nonqualified stock options with a per share exercise price of \$340.25, and 26,674 performance-based restricted stock awards, substituting for an equal number of the performance-based options, to compensate for the increase in the exercise price of the performance-based option granted on July 26, 2017. As of December 31, 2017, the Company estimated the fair value of the remaining 58,010 target shares using a Monte Carlo simulation model and the Company's common stock price on December 31, 2017 to record mark-to-market expense associated with the commitment to issue the shares on January 2, 2018. In the year ended December 31, 2017, the Company recorded \$1.0 million in stock-based compensation expense related to these stock options based on the current estimated fair value on a straight-line basis.

As of December 31, 2017, performance-based nonqualified stock options of 167,742 and performance-based restricted stock awards of 10,309 had been earned, which have a vest date of September 30, 2022.

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A summary of changes in outstanding stock options with market conditions is as follows:

	Number of Options with Market Conditions	Weighted Average Exercise Price <i>(per option)</i>	Weighted Average Remaining Contractual Term <i>(in years)</i>	Aggregate Intrinsic Value <sup>(a)</sup> <i>(in thousands)</i>
<b>Outstanding at December 31, 2016</b>	—	\$ —		
Granted <sup>(b)</sup>	402,694	183.80		
Exercised	—	—		
Forfeited	—	—		
Expired	—	—		
<b>Outstanding at December 31, 2017</b>	<b>402,694</b>	<b>183.80</b>	<b>9.57</b>	<b>\$ 63,082</b>
<b>Options exercisable</b>	<b>—</b>	<b>\$ —</b>	<b>0.00</b>	<b>\$ —</b>

(a) The aggregate intrinsic value represents the total pre-tax intrinsic value (the difference between the Company's closing stock price of \$340.45 on the last trading day of 2017 and the exercise price, multiplied by the number of shares covered by in-the-money options) that would have been received by the option holder had the option holder exercised these options on December 31, 2017. The intrinsic value changes based on the market value of the Company's common stock.

(b) During 2017, the Company granted stock options with a grant date fair value per share of \$142.45, calculated using the Monte Carlo simulation model, which have a vesting date of September 30, 2022.

For purposes of determining stock-based compensation expense, the grant date fair value per share of the stock options was estimated using the Monte Carlo simulation model, which requires the use of various key assumptions. The assumptions used are as follows:

Expected term <sup>(1)</sup>	7.50 years
Expected dividend <sup>(2)</sup>	—
Expected volatility <sup>(3)</sup>	50%
Risk-free interest rate <sup>(4)</sup>	2.12%

(1) The expected term of stock options with a market condition granted was calculated using the midpoint between the weighted average time of vesting and the end of the contractual term.

(2) For all stock options with a market condition granted in 2017, no dividends are expected to be paid over the contractual term of the stock options, resulting in a zero expected dividend rate.

(3) The expected volatility rate is based on the historical volatility of the Company's common stock.

(4) The risk-free interest rate is specific to the date of grant. The risk-free interest rate is based on U.S. Treasury yields for notes with comparable expected terms as the awards, in effect at the grant date.

As of December 31, 2017, there was approximately \$52.6 million of unrecognized compensation cost related to stock options with market conditions. These costs are expected to be recognized over a weighted-average period of approximately 4.8 years.

***Time-Vested Restricted Stock Awards with Performance Conditions***

On January 2, 2018, 119,015 restricted stock awards with time-vesting and a performance condition were granted. The terms of these awards were fixed in the approved new compensation agreements in July 2017. In 2017, the Company recorded \$3.1 million in stock-based compensation to reflect the commitment to issue the shares in the consolidated statement of operations and comprehensive income. The performance condition is tied to the Company's operating results during the first six months of 2018. As of December 31, 2017, the performance condition associated with the awards had not been met.

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**NOTE 10 —INCOME TAXES**

**Income Tax Provision**

The components of the income tax expense (benefit) are as follows (*in thousands*) :

	Year Ended December 31,		
	2017	2016	2015
Current income tax expense:			
Federal	\$ 10,055	\$ 11,519	\$ 5,847
State	2,606	2,480	1,149
<b>Current income tax expense</b>	<b>12,661</b>	<b>13,999</b>	<b>6,996</b>
Deferred income tax (benefit) provision:			
Federal	(3,805)	3,703	(19,676)
State	(2,565)	2,664	(10,293)
<b>Deferred income tax (benefit) provision</b>	<b>(6,370)</b>	<b>6,367</b>	<b>(29,969)</b>
<b>Income tax expense (benefit)</b>	<b>\$ 6,291</b>	<b>\$ 20,366</b>	<b>\$ (22,973)</b>

A reconciliation of the income tax expense (benefit) to the amounts computed by applying the statutory federal income tax rate to income (loss) from continuing operations before income taxes is shown as follows (*in thousands*) :

	Year Ended December 31,		
	2017	2016	2015
Income tax expense at the federal statutory rate of 35%	\$ 8,998	\$ 18,051	\$ 9,920
State income taxes, net of effect of federal tax benefit	(268)	4,038	1,480
Impact of Tax Cuts and Jobs Act	9,062	—	—
Excess Tax Deductions on Non-Cash Compensation	(11,134)	—	—
Change in (release of) valuation allowance	593	(416)	(34,409)
Research and experimentation tax credit	(1,318)	(2,574)	—
Other, net	358	1,267	36
<b>Income tax expense (benefit)</b>	<b>\$ 6,291</b>	<b>\$ 20,366</b>	<b>\$ (22,973)</b>

During the fourth quarter of 2017, LendingTree recorded a net tax expense of \$9.1 million related to the enactment of the TCJA. The expense is primarily related to the remeasurement of LendingTree's deferred tax assets and liabilities considering the TCJA's newly enacted tax rates and certain other impacts. The determination of valuation of the deferred tax assets and liabilities related to the TCJA is provisional and is subject to adjustment during a measurement period of up to one year following the December 2017 enactment of the TCJA, as provided by recent SEC guidance.

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**Deferred Income Taxes**

The tax effects of cumulative temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows (*in thousands*) :

	December 31,	
	2017	2016
Deferred tax assets:		
Provision for accrued expenses	\$ 4,368	\$ 8,056
Net operating loss carryforwards <sup>(a)</sup>	6,296	8,548
Non-cash compensation expense	8,929	5,699
Goodwill	—	1,825
Contingent liabilities	6,666	—
Other	2,138	139
<b>Total gross deferred tax assets</b>	<b>28,397</b>	<b>24,267</b>
Less: valuation allowance <sup>(b)</sup>	(2,694)	(2,101)
<b>Total deferred tax assets, net of the valuation allowance</b>	<b>25,703</b>	<b>22,166</b>
Deferred tax liabilities:		
Intangible and other assets	(1,960)	(2,704)
Other	(1,160)	(1,071)
<b>Total gross deferred tax liabilities</b>	<b>(3,120)</b>	<b>(3,775)</b>
<b>Net deferred taxes</b>	<b>\$ 22,583</b>	<b>\$ 18,391</b>

(a) At December 31, 2017, the Company had pre-tax consolidated federal net operating losses ("NOLs") of \$5.8 million. The federal NOLs will expire in 2030. The Company's NOLs will be available to offset taxable income (until such NOLs are either used or expire) subject to the Internal Revenue Code Section 382 annual limitation. In addition, the Company has state NOLs of approximately \$190.4 million at December 31, 2017 that will expire at various times between 2018 and 2038.

(b) The valuation allowance is related to items for which it is "more likely than not" that the tax benefit will not be realized.

Deferred income taxes are presented in the accompanying consolidated balance sheets as follows (*in thousands*) :

	December 31,	
	2017	2016
Deferred income tax assets	\$ 20,156	\$ 14,610
Non-current assets of discontinued operations	2,427	3,781
<b>Net deferred taxes</b>	<b>\$ 22,583</b>	<b>\$ 18,391</b>

**Valuation Allowance**

A valuation allowance is provided on deferred tax assets if it is determined that it is "more likely than not" that the deferred tax asset will not be realized. As of each reporting date, management considers both positive and negative evidence regarding the likelihood of future realization of the deferred tax assets.

In the fourth quarter of 2015 the Company concluded, based upon all available evidence, it was more likely than not it would have sufficient future taxable income to realize the majority of its net deferred tax assets. As a result, the Company released the majority of the valuation allowance in 2015. The Company significantly improved its operating performance in 2015, emerged from cumulative losses in previous years due to a cumulative profit position and projects taxable income in future years. While the Company believes the assumptions included in its projections of future taxable income are reasonable, if the actual results vary from expected results due to unforeseen changes in the economy or mortgage industry, or other factors, the Company may need to make future adjustments to the valuation allowance for all, or a portion, of the net deferred tax assets. At December 31, 2017

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and 2016, the Company recorded a partial valuation allowance of \$2.7 million and \$2.1 million, respectively, primarily related to state net operating losses, which the Company does not expect to be able to utilize prior to expiration.

A reconciliation of the beginning and ending balances of the deferred tax valuation allowance is as follows (*in thousands*):

	Year Ended December 31,		
	2017	2016	2015
<b>Balance, beginning of the period</b>	\$ 2,101	\$ 2,341	\$ 40,121
Charges to earnings <sup>(a)</sup>	593	(240)	(37,780)
<b>Balance, end of the period</b>	<b>\$ 2,694</b>	<b>\$ 2,101</b>	<b>\$ 2,341</b>

(a) During 2015, the amount is primarily related to the Company's release of the valuation allowance, current year utilization of net operating loss carryforwards, the write-off of certain state net operating losses that expire in 2015 and state net operating losses not expected to be utilized in future years due to changes in ownership limitations.

**Unrecognized Tax Benefits**

A reconciliation of the beginning and ending amounts of unrecognized tax benefits, excluding interest and penalties, is as follows (*in thousands*):

	Year Ended December 31,	
	2017	2016
<b>Balance, beginning of the period</b>	\$ 550	\$ 19
Additions based on tax positions of the current year	198	550
Lapse of statute of limitations	—	(19)
<b>Balance, end of the period</b>	<b>\$ 748</b>	<b>\$ 550</b>

Interest and, if applicable, penalties are recognized related to unrecognized tax benefits in income tax expense. For the year ended December 31, 2015, the Company incurred interest and penalties on unrecognized tax benefits of \$0.1 million which was included in income tax expense. Interest and penalties on unrecognized tax benefits included in income tax expense for each of the years ended December 31, 2017 and 2016 was immaterial.

As of December 31, 2017, the accrual for unrecognized tax benefits, including interest, was \$0.7 million, which would benefit the effective tax rate if recognized. As of December 31, 2016, the accrual for unrecognized tax benefits, including interest, was \$0.6 million, which would benefit the effective tax rate if recognized.

**Tax Audits**

LendingTree is subject to audits by federal, state and local authorities in the area of income tax. These audits include questioning the timing and the amount of deductions and the allocation of income among various tax jurisdictions. Income taxes payable include amounts considered sufficient to pay assessments that may result from examination of prior year returns; however, any amounts paid upon resolution of issues raised may differ from the amount provided. Differences between the reserves for tax contingencies and the amounts owed by the Company are recorded in the period they become known. As of December 31, 2017, the Company is subject to a federal income tax examination for the tax years 2013 through 2016. In addition, the Company is subject to state and local tax examinations for the tax years 2013 through 2016.

**NOTE 11 — DEBT**

**Convertible Senior Notes**

On May 31, 2017, the Company issued \$300.0 million aggregate principal amount of its 0.625% Convertible Senior Notes due June 1, 2022 (the "Notes") in a private placement. The Notes bear interest at a rate of 0.625% per year, payable semi-annually on June 1 and December 1 of each year, beginning on December 1, 2017. The Notes will mature on June 1, 2022, unless earlier repurchased or converted.

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The initial conversion rate of the Notes is 4.8163 shares of Common Stock per \$1,000 principal amount of Notes (which is equivalent to an initial conversion price of approximately \$207.63 per share). The conversion rate will be subject to adjustment upon the occurrence of certain specified events but will not be adjusted for accrued and unpaid interest. In addition, upon the occurrence of a fundamental change prior to the maturity of the Notes, the Company will, in certain circumstances, increase the conversion rate by a specified number of additional shares for a holder that elects to convert the Notes in connection with such fundamental change. Upon conversion, the Notes will settle for cash, shares of the Company's stock, or a combination thereof, at the Company's option. It is the intent of the Company to settle the principal amount of the Notes in cash and any conversion premium in shares of its common stock.

The Notes are the Company's senior unsecured obligations and will rank senior in right of payment to any of the Company's indebtedness that is expressly subordinated in right of payment to the Notes; equal in right of payment to any of the Company's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness, including borrowings under the senior secured Revolving Credit Facility, described below, to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of the Company's subsidiaries.

Prior to the close of business on the business day immediately preceding February 1, 2022, the Notes will be convertible at the option of the holders thereof only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on September 30, 2017 (and only during such calendar quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during the 30 consecutive trading day period ending on, and including the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period in which, for each trading day of that period, the trading price (as defined in the Notes) per \$1,000 principal amount of Notes for such trading day was less than 98% of the product of the last reported sale price of the Common Stock and the conversion rate on each such trading day; or
- upon the occurrence of specified corporate events including but not limited to a fundamental change.

Holders of the Notes became entitled to convert the Notes on January 1, 2018, and will continue to have such right until March 31, 2018, based on the last reported sales price of our common stock, for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on December 31, 2017, being greater than or equal to 130% of the conversion price of the Notes on each applicable trading day.

On or after February 1, 2022, until the close of business on the second scheduled trading day immediately preceding the maturity date of the Notes, holders of the Notes may convert all or a portion of their Notes regardless of the foregoing conditions.

The Company may not redeem the Notes prior to the maturity date and no sinking fund is provided for the Notes. Upon the occurrence of a fundamental change prior to the maturity date of the Notes, holders of the Notes may require the Company to repurchase all or a portion of the Notes for cash at a price equal to 100% of the principal amount of the Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

If the market price per share of the Common Stock, as measured under the terms of the Notes, exceeds the conversion price of the Notes, the Notes could have a dilutive effect, unless the Company elects, subject to certain conditions, to settle the principal amount of the Notes and any conversion premium in cash.

The initial measurement of convertible debt instruments that may be settled in cash are separated into a debt and equity component whereby the debt component is based on the fair value of a similar instrument that does not contain an equity conversion option. The separate components of debt and equity of the Company's Notes were determined using an interest rate of 5.36%, which reflects the nonconvertible debt borrowing rate of the Company at the date of issuance. As a result, the initial components of debt and equity were \$238.4 million and \$61.6 million, respectively.

During 2017, the Company recorded interest expense on the Notes of \$8.2 million which consisted of \$1.1 million associated with the 0.625% coupon rate, \$6.4 million associated with the accretion of the debt discount, and \$0.7 million associated with the amortization of the debt issuance costs. The debt discount will be amortized over the term of the debt.



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Financing costs related to the issuance of the Notes were approximately \$9.3 million of which \$7.4 million were allocated to the liability component and are being amortized to interest expense over the term of the debt and \$1.9 million were allocated to the equity component.

As of December 31, 2017, the fair value of the Notes is estimated to be approximately \$522.6 million using the Level 1 observable input of the last quoted market price on December 29, 2017.

A summary of the gross carrying amount, unamortized debt cost, debt issuance costs and net carrying value of the liability component of the Notes are as follows (*in thousands*) :

	December 31, 2017	December 31, 2016
Gross carrying amount	\$ 300,000	\$ —
Unamortized debt discount	55,202	—
Debt issuance costs	6,599	—
<b>Net carrying amount</b>	<b>\$ 238,199</b>	<b>\$ —</b>

**Convertible Note Hedge and Warrant Transactions**

On May 31, 2017, in connection with the issuance of the Notes, the Company entered into Convertible Note Hedge (the "Hedge") and Warrant transactions with respect to the Company's common stock. The Company used approximately \$18.1 million of the net proceeds from the Notes to pay for the cost of the Hedge, after such cost was partially offset by the proceeds from the Warrant transactions.

On May 31, 2017, the Company paid \$61.5 million to the counterparties for the Hedge transactions. The Hedge transactions cover approximately 1.4 million shares of the Company's common stock, the same number of shares initially underlying the Notes, and are exercisable upon any conversion of the Notes. The Hedge Transactions are expected generally to reduce the potential dilution to the Common Stock upon conversion of the Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of the converted Notes, as the case may be, in the event that the market price per share of Common Stock, as measured under the terms of the Hedge transactions, is greater than the strike price of the Hedge transactions, which initially corresponds to the initial conversion price of the Notes, or approximately \$207.63 per share of Common Stock. The Hedge transactions will expire upon the maturity of the Notes.

On May 31, 2017, the Company sold to the counterparties, warrants (the "Warrants") to acquire 1.4 million shares of Common Stock at an initial strike price of \$266.39 per share, which represents a premium of 70% over the reported sale price of the Common Stock of \$156.70 on May 24, 2017. On May 31, 2017, the Company received aggregate proceeds of approximately \$43.4 million from the sale of the Warrants.

If the market price per share of the Common Stock, as measured under the terms of the Warrants, exceeds the strike price of the Warrants, the Warrants could have a dilutive effect, unless the Company elects, subject to certain conditions, to settle the Warrants in cash.

The Hedge and Warrant transactions are indexed to, and potentially settled in, the Company's common stock and the net cost of \$18.1 million has been recorded as a reduction to additional paid-in capital in the consolidated statement of shareholders' equity.

**Senior Secured Revolving Credit Facility**

On November 21, 2017, the Company's wholly-owned subsidiary, LendingTree, LLC, entered into an amended and restated \$250.0 million five-year senior secured revolving credit facility which matures on November 21, 2022 (the "Revolving Credit Facility"). The Revolving Credit Facility replaced the Company's previous \$125.0 million revolving credit facility. Borrowings under the Revolving Credit Facility can be used to finance working capital needs, capital expenditures and general corporate purposes, including to finance permitted acquisitions. As of December 31, 2017, the Company does not have any borrowings outstanding under the Revolving Credit Facility.

Up to \$10.0 million of the Revolving Credit Facility will be available for short-term loans, referred to as swingline loans. Additionally, up to \$10.0 million of the Revolving Credit Facility will be available for the issuance of letters of credit. Under certain conditions, the Company will be permitted to add one or more term loans and/or increase revolving commitments under

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the Revolving Credit Facility by an additional \$100.0 million , or a greater amount provided that a total consolidated senior secured debt to EBITDA ratio does not exceed 2.50 to 1.00.

The Company's borrowings under the Revolving Credit Facility bear interest at annual rates that, at the Company's option, will be either:

- a base rate generally defined as the sum of (i) the greater of (a) the prime rate of SunTrust Bank, (b) the federal funds effective rate plus 0.5% and (c) the LIBO rate (defined below) on a daily basis applicable for an interest period of one month plus 1.0% and (ii) an applicable percentage of 0.25% to 1.0% based on a total consolidated debt to EBITDA ratio; or
- a LIBO rate generally defined as the sum of (i) the rate for Eurodollar deposits in the applicable currency and (ii) an applicable percentage of 1.25% to 2.0% based on a total consolidated debt to EBITDA ratio.

All swingline loans bear interest at the base rate defined above. Interest on the Company's borrowings are payable quarterly in arrears for base rate loans and on the last day of each interest rate period (but not less often than three months) for LIBO rate loans.

The Revolving Credit Facility contains a restrictive financial covenant, which initially limits the total consolidated debt to EBITDA ratio to 4.5 , with step downs to 4.0 over time, except that this may increase by 0.5 for the four fiscal quarters following a material acquisition. In addition, the Revolving Credit Facility contains customary affirmative and negative covenants in addition to events of default for a transaction of this type that, among other things, restrict additional indebtedness, liens, mergers or certain fundamental changes, asset dispositions, dividends, stock repurchases and other restricted payments, transactions with affiliates, sale-leaseback transactions, hedging transactions, loans and investments and other matters customarily restricted in such agreements. The Company was in compliance with all covenants at December 31, 2017.

The Revolving Credit Facility requires LendingTree, LLC to pledge as collateral, subject to certain customary exclusions, substantially all of its assets, including 100% of its equity in all of its domestic subsidiaries and 66% of the voting equity, and 100% of the non-voting equity, in all of its material foreign subsidiaries (of which there are currently none). The obligations under this facility are unconditionally guaranteed on a senior basis by LendingTree, Inc. and material domestic subsidiaries of LendingTree, LLC, which guaranties are secured by a pledge as collateral, subject to certain customary exclusions, of 100% of each such guarantor's assets, including 100% of each such guarantor's equity in all of its domestic subsidiaries and 66% of the voting equity, and 100% of the non-voting equity, in all of its material foreign subsidiaries (of which there are currently none).

The Company is required to pay an unused commitment fee quarterly in arrears on the difference between committed amounts and amounts actually borrowed under the Revolving Credit Facility equal to an applicable percentage of 0.25% to 0.45% per annum based on a total consolidated debt to EBITDA ratio. The Company is required to pay a letter of credit participation fee and a letter of credit fronting fee quarterly in arrears. The letter of credit participation fee is based upon the aggregate face amount of outstanding letters of credit at an applicable percentage of 1.25% to 2.0% based on a total consolidated debt to EBITDA ratio. The letter of credit fronting fee is 0.125% per annum on the face amount of each letter of credit.

The Company recognized \$0.1 million in additional interest expense in the fourth quarter of 2017 due to the write-off of certain unamortized debt issuance costs associated with the original revolving credit facility entered into on October 22, 2015. In addition to the remaining unamortized debt issuance costs associated with the original revolving credit facility, debt issuance costs of \$1.4 million related to the Revolving Credit Facility are being amortized to interest expense over the life of the Revolving Credit Facility of five years , and are included in prepaid and other current assets and other non-current assets in the Company's consolidated balance sheet.

## **NOTE 12 — COMMITMENTS**

### **Operating Leases**

The Company leases office space used in connection with its operations under various operating leases, which contain escalation clauses. The Company's operating leases relate to its office space in: Charlotte, North Carolina; Burlingame, California; Charleston, South Carolina; New York City, New York; and Northbrook, Illinois.

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Future minimum payments as of December 31, 2017 under operating lease agreements having an initial or remaining non-cancelable lease term in excess of one year are as follows (*in thousands*) :

Year ending December 31,	Amount
2018	\$ 1,754
2019	1,811
2020	1,389
2021	63
2022	59
<b>Total</b>	<b>\$ 5,076</b>

Rental expense for all operating leases, except those with terms of a month or less that were not renewed, charged to continuing operations was \$2.0 million, \$1.6 million and \$1.2 million, for each of the years ended December 31, 2017, 2016 and 2015, respectively, and a majority of which is included in general and administrative expense in the consolidated statements of operations and comprehensive income.

**Bonds**

The Company has funding commitments that could potentially require performance in the event of demands by third parties or contingent events, as follows (*in thousands*) :

	Commitments Due By Period				
	Total	Less Than 1 year	1-3 years	3-5 years	More Than 5 years
Surety bonds <sup>(a)</sup>	\$ 4,393	\$ 4,368	\$ 25	\$ —	\$ —
Litigation bonds <sup>(b)</sup>	140	140	—	—	—
<b>Total</b>	<b>\$ 4,533</b>	<b>\$ 4,508</b>	<b>\$ 25</b>	<b>\$ —</b>	<b>\$ —</b>

(a) State laws and regulations generally require businesses which engage in mortgage brokering activity to maintain a mortgage broker or similar license. Mortgage brokering activity is generally defined to include, among other things, receiving valuable consideration for offering assistance to a buyer in obtaining a residential mortgage or soliciting financial and mortgage information from the public and providing that information to an originator of residential mortgage loans. All states require that the Company maintain surety bonds for potential claims.

(b) Bonds required for certain legal matters.

**Other Commitments**

The Company has certain other commitments through 2020, where the commitments for these contracts range from \$2.8 million to \$4.3 million each year throughout the life of the contract.

**NOTE 13—CONTINGENCIES**

**Overview**

LendingTree is involved in legal proceedings on an ongoing basis. In assessing the materiality of a legal proceeding, the Company evaluates, among other factors, the amount of monetary damages claimed, as well as the potential impact of non-monetary remedies sought by plaintiffs (e.g., injunctive relief) that may require it to change its business practices in a manner that could have a material and adverse impact on the business. With respect to the matters disclosed in this Note 13, unless otherwise indicated, the Company is unable to estimate the possible loss or range of losses that could potentially result from the application of such non-monetary remedies.

As of December 31, 2017 and 2016, the Company had a litigation settlement accrual of \$0.3 million and \$0.7 million, respectively, in continuing operations and \$4.0 million and \$4.0 million, respectively, in discontinued operations. The litigation settlement accrual relates to litigation matters that were either settled or a firm offer for settlement was extended, thereby establishing an accrual amount that is both probable and reasonably estimable.

**LENDINGTREE, INC. AND SUBSIDIARIES**  
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**Specific Matters**

**Intellectual Property Litigation**

***Zillow***

*LendingTree v. Zillow, Inc., et al. Civil Action No. 3:10-cv-439*. On September 8, 2010, the Company filed an action for patent infringement in the U.S. District Court for the Western District of North Carolina against Zillow, Inc., Nextag, Inc., Quinstreet, Inc., Quinstreet Media, Inc. and Adchemy, Inc. The complaint was amended to include Leadpoint, Inc. d/b/a Securerights on September 24, 2010. The complaint alleged that each of the defendants infringed one or both of the Company's patents—U.S. Patent No. 6,385,594, entitled "Method and Computer Network for Co-Ordinating a Loan over the Internet," and U.S. Patent No. 6,611,816, entitled "Method and Computer Network for Co-Ordinating a Loan over the Internet." The defendants in this action asserted various defenses and counterclaims against the Company, including the assertion by certain of the defendants of counterclaims alleging illegal monopolization via the Company's maintenance of the asserted patents. Defendant NexTag asserted defenses of laches and equitable estoppel. In July 2011, the Company reached a settlement agreement with Leadpoint, Inc., pursuant to which all claims against Leadpoint, Inc. and all counterclaims against the Company by Leadpoint, Inc. were dismissed. In November 2012, the Company reached a settlement agreement with Quinstreet, Inc. and Quinstreet Media, Inc. (collectively, the "Quinstreet Parties"), pursuant to which all claims against the Quinstreet Parties and all counterclaims against the Company by the Quinstreet Parties were dismissed. After an unsuccessful attempt to reach settlement through mediation with the remaining parties, this matter went to trial beginning in February 2014, and on March 12, 2014, the jury returned a verdict. The jury found that the defendants Zillow, Inc., Adchemy, Inc., and NexTag, Inc. did not infringe the two patents referenced above and determined that those patents are invalid due to an inventorship defect, and the court found that NexTag was entitled to defenses of laches and equitable estoppel. The jury found in the Company's favor on the defendants' counterclaims alleging inequitable conduct and antitrust violations. Judgment was entered on March 31, 2014. After the court entered judgment, on May 27, 2014, the Company reached a settlement agreement with defendant Adchemy, Inc., including an agreement to dismiss and withdraw all claims, counterclaims, and motions between the Company and Adchemy, Inc. As a result, a joint and voluntary dismissal was filed June 12, 2014 with respect to claims between the Company and Adchemy. The parties filed various post-trial motions; in particular, defendants collectively sought up to \$9.7 million in fees and costs. On October 9, 2014, the court denied the Company's post-trial motion for judgment as a matter of law and denied Zillow's post-trial motions for sanctions and attorneys' fees. The court also denied in part and granted in part NexTag's post-trial motion for attorneys' fees, awarding NexTag a portion of its attorneys' fees and costs totaling \$2.3 million, plus interest.

In November 2014, the Company filed a notice of appeal to the U.S. Court of Appeals for the Federal Circuit with respect to the jury verdict concerning Zillow, Inc. and Nextag, Inc. and the award of attorneys' fees. In March 2015, the U.S. Court of Appeals for the Federal Circuit granted the Company's motion to stay appellate briefing pending an *en banc* review by such court of the laches defense in an unrelated patent infringement matter and ruled in favor of Zillow, Inc. on an immaterial amount of costs related to the trial process. In June 2015, the Company reached a settlement agreement for \$1.1 million with defendant NexTag pursuant to which the Company dismissed its appeal of the jury verdict and the award of attorney's fees concerning NexTag, and NexTag dismissed its cross-appeal and claims relating to the jury verdict and the award of attorneys' fees. In July 2015, the stay was lifted on the Company's appeal with respect to the jury verdict concerning Zillow, Inc. The appeal was heard by the U.S. Court of Appeals for the Federal Circuit in June 2016, and in July 2016 the Court determined that certain of the claims of the two patents referenced above were directed to ineligible subject matter and thus such claims were invalid under 35 U.S.C. Section 101. With respect to the remaining claims that the Court did not hold were ineligible, the Court granted a remand to the federal district court to allow LendingTree to file a motion to vacate the judgment of invalidity for incorrect inventorship.

In June 2017, the Federal District Court vacated the invalidity judgment arising from the March 2014 jury verdict. As a result, certain claims of the Company's two issued patents remain valid. The case is now closed and the Company expects no further significant events regarding this litigation.

**Legal Matters**

***Next Advisor Continued, Inc.***

*Next Advisor Continued, Inc. v. LendingTree, Inc. and LendingTree, LLC, No. 15-cvs-20775 (N.C. Super. Ct.)*. On November 6, 2015, the plaintiff filed this action against LendingTree, Inc. and LendingTree, LLC (together "LendingTree"). The plaintiff generally alleges that LendingTree breached a non-disclosure agreement and misappropriated trade secrets in the context of a potential business acquisition of the plaintiff by LendingTree. Based upon these allegations, the plaintiff asserts claims for breach of contract, misappropriation of trade secrets, and violation of the North Carolina Unfair and Deceptive Trade Practices Act. The plaintiff requested money damages, attorneys' fees and injunctive relief.

**LENDINGTREE, INC. AND SUBSIDIARIES**  
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On December 16, 2015, LendingTree filed its answer to the plaintiff's complaint, denying the material allegations and asserting numerous defenses thereto. In June 2016, the Court granted plaintiff's motion for preliminary injunction and temporarily ordered, pending trial, that LendingTree cease any utilization of confidential and trade secret information of plaintiff and cease marketing credit card products via certain third party content marketing platforms. However, LendingTree continued to believe that the plaintiff's allegations lacked merit and vigorously defended the case. In July 2016, LendingTree filed a notice of interlocutory appeal to the North Carolina Supreme Court with respect to the preliminary injunction, but the interlocutory appeal was dismissed in December 2016. In February 2017, LendingTree filed a motion for partial summary judgment. In June 2017, the court granted LendingTree's motion for partial summary judgment, restricting the duration of any injunction and ruling that the plaintiff is not entitled to recover compensatory damages on any of its claims. On September 14, 2017, LendingTree and the plaintiff finalized a settlement agreement pursuant to which (i) LendingTree defrayed a portion of plaintiff's litigation costs, and (ii) the parties agreed that the injunction would be of no further effect as of January 3, 2018. The Court's order approving the settlement was a final judgment and this matter is now closed.

**Litigation Related to Discontinued Operations**

***Residential Funding Company***

*Residential Funding Company, LLC v Home Loan Center, Inc., No. 13-cv-3451 (U.S. Dist. Ct., Minn.)*. On or about December 16, 2013, Home Loan Center, Inc. was served in the above captioned matter. Generally, Residential Funding Company, LLC ("RFC") seeks damages for breach of contract and indemnification for certain residential mortgage loans as well as residential mortgage-backed securitizations ("RMBS") containing mortgage loans. RFC asserts that, beginning in 2008, RFC faced massive repurchase demands and lawsuits from purchasers or insurers of the loans and RMBS that RFC had sold. RFC filed for bankruptcy protection in May 2012. Plaintiff alleges that, after RFC filed for Chapter 11 protection, hundreds of proofs of claim were filed, many of which mirrored the litigation filed against RFC prior to its bankruptcy.

In December 2013, the United States Bankruptcy Court for the Southern District of New York entered an Order confirming the Second Amended Joint Chapter 11 Plan Proposed by Residential Capital, LLC et al. and the Official Committee of Unsecured Creditors. Plaintiff then began filing substantially similar complaints against approximately 80 of the loan originators from whom RFC had purchased loans, including Home Loan Center, in federal and state courts in Minnesota and New York. In each case, Plaintiff claims that the defendant is liable for a portion of the global settlement in RFC's bankruptcy.

Plaintiff asserts two claims against HLC: (1) breach of contract based on HLC's alleged breach of representations and warranties concerning the quality and characteristics of the mortgage loans it sold to RFC (Count One); and (2) contractual indemnification for alleged liabilities, losses, and damages incurred by RFC arising out of purported defects in loans that RFC purchased from HSBC and sold to third parties (Count Two). Plaintiff alleges that the "types of defects" contained in the loans it purchased from HLC included "income misrepresentation, employment misrepresentation, appraisal misrepresentations or inaccuracies, undisclosed debt, and missing or inaccurate documents."

HLC filed a Motion to Dismiss under Rule 12(b)(6) of the Federal Rules of Civil Procedure or, in the alternative, a Motion for More Definite Statement under Rule 12(e). On June 25, 2015 the judge denied HLC's motion.

On July 9, 2015, HLC filed its answer to RFC's complaint, denying the material allegations of the complaint and asserting numerous defenses thereto. Discovery is ongoing in this matter. Plaintiff is seeking damages of \$61.0 million in this action; HLC intends to vigorously defend this action. An estimated liability of \$3.0 million for this matter is included in the accompanying consolidated balance sheet as of December 31, 2017.

***Lehman Brothers Holdings, Inc.***

*Lehman Brothers Holdings Inc. v. 1<sup>st</sup> Advantage Mortgage, LLC et al., Case No. 08-13555 (SCC), Adversary Proceeding No. 16-01342 (SCC) (Bankr. S.D.N.Y.)*. In February 2016, Lehman Brothers Holdings Inc. ("LBHI") filed an Adversary Complaint against Home Loan Center and approximately 149 other defendants (the "Complaint"). The Complaint generally seeks (1) a declaratory judgment that the settlements entered by LBHI with Fannie Mae and Freddie Mac as part of LBHI's bankruptcy proceedings gave rise to LBHI's contractual indemnification claims against defendants alleged in the Complaint; (2) indemnification from HLC and the other defendants for losses allegedly incurred by LBHI in respect of defective mortgage loans sold by defendants to LBHI or its affiliates; and (3) interest, attorneys' fees and costs incurred by LBHI in the litigation. On March 31, 2017, HLC filed an omnibus motion to dismiss with other defendants. HLC intends to defend this action vigorously. HLC had previously received a demand letter (the "Letter") from LBHI in December 2014 with respect to 64 loans (the "Loans") that LBHI alleges were sold by HLC to Lehman Brothers Bank FSB ("LBB") between 2004 and 2008 pursuant to a loan purchase agreement (the "LPA") between HLC and LBB. The Letter generally sought indemnification from HLC in accordance with the LPA for certain

**LENDINGTREE, INC. AND SUBSIDIARIES**  
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claims that LBHI alleged it allowed in its bankruptcy with respect to the Loans. An estimated liability of \$1.0 million for this matter is included in the accompanying consolidated balance sheet as of December 31, 2017 .

**NOTE 14—FAIR VALUE MEASUREMENTS**

Other than the Notes and the Warrants, the carrying amounts of the Company's financial instruments are equal to fair value at December 31, 2017. See Note 11 —Debt for additional information on the Notes and the Warrants.

Contingent consideration payments related to acquisitions are measured at fair value each reporting period using Level 3 unobservable inputs. The changes in the fair value of the Company's Level 3 liabilities during the years ended December 31, 2017 and 2016 are as follows (*in thousands*) :

	<u>Contingent Consideration</u>
<b>Balance at December 31, 2015</b>	\$ —
Transfers into Level 3	—
Transfers out of Level 3	—
Total net (gains) losses included in earnings (realized and unrealized)	—
Purchases, sales and settlements:	
Additions	23,100
Payments	—
<b>Balance at December 31, 2016</b>	<b>\$ 23,100</b>
Transfers into Level 3	—
Transfers out of Level 3	—
Total net (gains) losses included in earnings (realized and unrealized)	23,931
Purchases, sales and settlements:	
Additions	11,318
Payments	(1,000)
<b>Balance at December 31, 2017</b>	<b>\$ 57,349</b>

The contingent consideration liability at December 31, 2017 is the estimated fair value of the earnout payments of the CompareCards, DepositAccounts and SnapCap acquisitions. The contingent consideration liability at December 31, 2016 was the estimated fair value of the earnout payments of the CompareCards acquisition. The Company will make earnout payments ranging from \$22.5 million to \$45.0 million based on the achievement of certain defined earnings targets for CompareCards, payments ranging from \$1.0 million to \$8.0 million based on the achievement of defined milestone and performance targets for DepositAccounts, and payments ranging from zero to \$9.0 million based on the achievement of certain defined earnings targets for SnapCap. See Note 6 — Business Acquisitions for additional information on the contingent consideration for each of these respective acquisitions. The significant unobservable inputs used to calculate the fair value of the contingent consideration are estimated future cash flows for the acquisitions, estimated date and likelihood of an increase in interest rates and the discount rate. Actual results will differ from the projected results and could have a significant impact on the estimated fair value of the contingent considerations. Additionally, as the liability is stated at present value, the passage of time alone will increase the estimated fair value of the liability each reporting period. Any changes in fair value will be recorded in operating income in the consolidated statements of operations and comprehensive income.

**NOTE 15—RELATED PARTY TRANSACTIONS**

One of the Company's board of directors also serves as a director to a marketing partner of the Company. During 2017, 2016 and 2015, the Company recognized \$1.2 million , \$1.3 million and \$0.7 million , respectively, of expenses for this marketing partner through the normal course of business.

In the fourth quarter of 2017, the Company's Board of Directors approved a \$10.0 million contribution to fund the newly formed LendingTree Foundation. Officers of the Company serve as officers of the LendingTree Foundation. The contribution is recorded in general and administrative expense on the consolidated statement of operations and comprehensive income.

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**NOTE 16—BENEFIT PLANS**

The Company operates a retirement savings plan for its employees in the United States that is qualified under Section 401(k) of the Internal Revenue Code. Employees are eligible to enroll in the plan upon date of hire. Participating employees may contribute up to 50% of their pre-tax earnings, but not more than statutory limits (generally \$18,000 for 2015 through 2017). The company match contribution is fifty cents for each dollar a participant contributes to the plan, with a maximum contribution of 6% of a participant's eligible earnings. Matching contributions are invested in the same manner as each participant's voluntary contributions in the investment options provided under the plan. LendingTree stock is not included in the available investment options or the plan assets. Funds contributed to the plan vest according to the participant's years of service, with less than three years of service vesting at 0%, and three years or more of service vesting at 100%. Matching contributions were approximately \$0.9 million, \$0.7 million and \$0.5 million for the years ended December 31, 2017, 2016 and 2015, respectively.

**NOTE 17 —DISCONTINUED OPERATIONS**

The revenue and net loss reported as discontinued operations in the accompanying consolidated statements of operations and comprehensive income are as follows (*in thousands*):

	Year Ended December 31,		
	2017	2016	2015
<b>Revenue</b>	<b>\$ (750)</b>	<b>\$ 1,325</b>	<b>\$ 6</b>
Loss before income taxes	\$ (5,909)	\$ (5,728)	\$ (5,047)
Income tax benefit	2,069	2,014	1,778
<b>Net loss</b>	<b>\$ (3,840)</b>	<b>\$ (3,714)</b>	<b>\$ (3,269)</b>

In 2017, 2016 and 2015, loss from discontinued operations was primarily due to litigation settlements and contingencies and legal fees associated with ongoing legal proceedings.

**LendingTree Loans**

On June 6, 2012, the Company sold substantially all of the operating assets of its LendingTree Loans business for \$55.9 million in cash to a wholly-owned subsidiary of Discover Financial Services ("Discover").

Discover generally did not assume liabilities of the LendingTree Loans business that arose before the closing date, except for certain liabilities directly related to assets Discover acquired. Of the purchase price paid, as of December 31, 2017, \$4.0 million is being held in escrow in accordance with the agreement with Discover for certain loan loss obligations that remain with the Company following the sale. The escrowed amount is recorded as restricted cash at December 31, 2017.

Discover participated as a marketplace lender from closing of the transaction through July 2015.

**Significant Assets and Liabilities of LendingTree Loans**

Upon closing of the sale of substantially all of the operating assets of the LendingTree Loans business on June 6, 2012, LendingTree Loans ceased to originate consumer loans. Liability for losses on previously sold loans will remain with LendingTree Loans and are discussed below.

***Loan Loss Obligations***

LendingTree Loans sold loans it originated to investors on a servicing-released basis, so the risk of loss or default by the borrower was generally transferred to the investor. However, LendingTree Loans was required by these investors to make certain representations and warranties relating to credit information, loan documentation and collateral. These representations and warranties may extend through the contractual life of the loan. Subsequent to the loan sale, if underwriting deficiencies, borrower fraud or documentation defects are discovered in individual loans, LendingTree Loans may be obligated to repurchase the respective loan or indemnify the investors for any losses from borrower defaults if such deficiency or defect cannot be cured within the specified period following discovery.

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HLC, a subsidiary of the Company, continues to be liable for these indemnification obligations, repurchase obligations and premium repayment obligations following the sale of substantially all of the operating assets of its LendingTree Loans business in the second quarter of 2012.

The following table represents the aggregate loans sold, subsequent settlements and remaining unsettled loans as of December 31, 2017:

	Number of Loans	Original Issue Balance	
	<i>(in thousands)</i>	<i>(in billions)</i>	
Loans sold by HLC	234	\$	38.9
Subsequent settlements	(172)		(28.8)
<b>Remaining unsettled loans</b>	<b>62</b>	<b>\$</b>	<b>10.1</b>

During the fourth quarter of 2015, LendingTree Loans completed a settlement agreement for \$0.6 million with one of the investors to which it had sold loans. This investor accounted for approximately 10% of the total number of loans sold and 12% of the original issue balance. This settlement related to all existing and future losses on loans sold to this investor.

During the fourth quarter of 2014, LendingTree Loans completed a settlement agreement for \$5.4 million with the largest investor to which it had sold loans. This investor accounted for approximately 40% of both the total number of loans sold and the original issue balance. This settlement related to all existing and future losses on loans sold to this investor.

In the second quarter of 2014, LendingTree Loans completed settlements with two buyers of previously purchased loans.

The Company has been negotiating with certain of the remaining secondary market purchasers to settle any existing and future contingent liabilities, but it may not be able to complete such negotiations on acceptable terms, or at all. Because LendingTree Loans does not service the loans it sold, it does not maintain nor generally have access to the current balances and loan performance data with respect to the individual loans previously sold to investors. Accordingly, LendingTree Loans is unable to determine, with precision, its maximum exposure for breaches of the representations and warranties it made to the investors that purchased such loans.

The Company uses a settlement discount framework for evaluating the adequacy of the reserve for loan losses. This model estimates lifetime losses on the population of remaining loans originated and sold by LendingTree Loans using actual defaults for loans with similar characteristics and projected future defaults. It also considers the likelihood of claims expected due to alleged breaches of representations and warranties made by LendingTree Loans and the percentage of those claims investors estimate LendingTree Loans may agree to repurchase. A settlement discount factor is then applied to the result of the foregoing to reflect publicly-announced bulk settlements for similar loan types and vintages, the Company's own settlement experience, as well as LendingTree Loans' non-operating status, in order to estimate a range of potential obligation.

The estimated range of remaining loan losses using this settlement discount framework was determined to be \$4.3 million to \$7.8 million at December 31, 2017. The reserve balance recorded as of December 31, 2017 was \$7.6 million. Management has considered both objective and subjective factors in the estimation process, but given current general industry trends in mortgage loans as well as housing prices and market expectations, actual losses related to LendingTree Loans' obligations could vary significantly from the obligation recorded as of the balance sheet date or the range estimated above.

Additionally, LendingTree has guaranteed certain loans sold to two investors in the event that LendingTree Loans is unable to satisfy its repurchase and warranty obligations related to such loans.

Based on historical experience, it is anticipated that LendingTree Loans will continue to receive repurchase requests and incur losses on loans sold in prior years.

The activity related to loss reserves on previously sold loans is as follows *(in thousands)* :

	Year Ended December 31,		
	2017	2016	2015
<b>Loan loss reserve, beginning of period</b>	<b>\$ 6,804</b>	<b>\$ 8,127</b>	<b>\$ 8,750</b>
Provision adjustments <sup>(a)</sup>	750	(1,323)	—
Charge-offs to reserves	—	—	(623)
<b>Loan loss reserve, end of period</b>	<b>\$ 7,554</b>	<b>\$ 6,804</b>	<b>\$ 8,127</b>



**LENDINGTREE, INC. AND SUBSIDIARIES**  
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(a) During 2016, the Company adjusted the loan loss reserve by \$1.8 million to remove the estimated liability for loans sold to RFC. The Company is in litigation with RFC and reserved the loss for this litigation in the legal reserve. See Note 13—Contingencies for additional information about the RFC litigation.

The liability for losses on previously sold loans is presented as current liabilities of discontinued operations in the accompanying consolidated balance sheets as of December 31, 2017 and 2016.

**NOTE 18—SEGMENT INFORMATION**

The Company has one reportable segment.

Mortgage and non-mortgage product revenue is as follows (*in thousands*) :

	Year Ended December 31,		
	2017	2016	2015
Mortgage products	\$ 275,910	\$ 219,991	\$ 165,272
Non-mortgage products	341,826	164,411	88,944
<b>Total revenue</b>	<b>\$ 617,736</b>	<b>\$ 384,402</b>	<b>\$ 254,216</b>

**NOTE 19—QUARTERLY FINANCIAL INFORMATION (UNAUDITED)**

The following tables set forth summary financial information for the years ended December 31, 2017 and 2016:

	Q1	Q2	Q3	Q4
	<i>(in thousands, except per share amounts)</i>			
<b>2017</b>				
Revenue	\$ 132,515	\$ 152,773	\$ 171,494	\$ 160,954
Operating income (expense) <sup>(1)</sup>	6,884	8,969	17,455	(175)
Income (loss) from continuing operations <sup>(1)(2)</sup>	7,798	8,007	10,131	(6,518)
Loss from discontinued operations	(932)	(689)	(1,011)	(1,208)
Net income (loss) and comprehensive income (loss)	\$ 6,866	\$ 7,318	\$ 9,120	\$ (7,726)
Income (loss) per share from continuing operations:				
Basic	\$ 0.66	\$ 0.67	\$ 0.84	\$ (0.54)
Diluted	\$ 0.58	\$ 0.59	\$ 0.74	\$ (0.54)
Loss per share from discontinued operations:				
Basic	\$ (0.08)	\$ (0.06)	\$ (0.08)	\$ (0.10)
Diluted	\$ (0.07)	\$ (0.05)	\$ (0.07)	\$ (0.10)
Net income (loss) per share:				
Basic	\$ 0.58	\$ 0.61	\$ 0.76	\$ (0.64)
Diluted	\$ 0.51	\$ 0.54	\$ 0.66	\$ (0.64)

(1) In the fourth quarter of 2017, the Company's Board of Directors approved a \$10.0 million contribution to fund the newly formed LendingTree Foundation. The contribution is recorded in general and administrative expense on the consolidated statement of operations and comprehensive income.

(2) During the fourth quarter of 2017, the Company recorded a net tax expense of \$9.1 million related to the enactment of the TCJA. See Note 10—Income Taxes for additional information.

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	Q1		Q2		Q3		Q4
	<i>(in thousands, except per share amounts)</i>						
<b>2016</b>							
Revenue	\$	94,713	\$	94,290	\$	94,558	\$ 100,841
Operating income		11,845		12,715		14,150	13,402
Income from continuing operations		6,905		9,002		7,280	8,021
Loss from discontinued operations		(1,203)		(1,150)		(664)	(697)
Net income and comprehensive income	\$	5,702	\$	7,852	\$	6,616	\$ 7,324
Income per share from continuing operations:							
Basic	\$	0.58	\$	0.76	\$	0.62	\$ 0.68
Diluted	\$	0.54	\$	0.71	\$	0.57	\$ 0.63
Loss per share from discontinued operations:							
Basic	\$	(0.10)	\$	(0.10)	\$	(0.06)	\$ (0.06)
Diluted	\$	(0.09)	\$	(0.09)	\$	(0.05)	\$ (0.05)
Net income per share:							
Basic	\$	0.48	\$	0.67	\$	0.56	\$ 0.62
Diluted	\$	0.44	\$	0.62	\$	0.52	\$ 0.57

**ITEM 9. *Changes in and Disagreements With Accountants on Accounting and Financial Disclosure***

Not applicable.

**ITEM 9A. *Controls and Procedures***

**Evaluation of Disclosure Controls and Procedures**

As required by Rule 13a-15(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), management, with the participation of our principal executive officer (Chief Executive Officer) and our principal financial officer (Chief Financial Officer), evaluated, as of the end of the period covered by this report, the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e). Management necessarily applied its judgment in assessing the costs and benefits of such controls and procedures, which by their nature can provide only reasonable assurance regarding management's control objectives. Management does not expect that our disclosure controls and procedures will prevent or detect all errors and fraud. A control system, irrespective of how well it is designed and operated, can only provide reasonable assurance and cannot guarantee that it will succeed in its stated objectives.

Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2017, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

**Management's Report on Internal Control over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Our internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that our receipts and expenditures are being made only in accordance with authorizations of our management and our directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2017. In making this assessment, our management used the criteria for effective internal control over financial reporting described in "Internal Control-Integrated Framework" (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on our evaluation under the framework in the Internal Control-Integrated Framework, issued by the COSO, management has concluded that our internal control over financial reporting was effective as of December 31, 2017. The effectiveness of our internal control over financial reporting as of December 31, 2017 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report appearing under "Item 8. Financial Statements and Supplementary Data" included elsewhere in this annual report.

**Changes in Internal Control over Financial Reporting**

There was no change in our internal control over financial reporting (as defined in the Exchange Act, Rules 13a-15(f)) that occurred during the quarter ended December 31, 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B. *Other Information***

None.

### **PART III**

As set forth below, the information required by Part III (Items 10, 11, 12, 13 and 14) is incorporated herein by reference to the Company's definitive proxy statement to be used in connection with its 2018 Annual Meeting of Stockholders and which will be filed with the Securities and Exchange Commission not later than 120 days after the end of the Company's fiscal year ended December 31, 2017 (the "2018 Proxy Statement"), in accordance with General Instruction G(3) of Form 10-K.

**ITEM 10. *Directors, Executive Officers and Corporate Governance***

The information required by Item 10 will be contained in, and is hereby incorporated by reference to, the 2018 Proxy Statement.

**ITEM 11. *Executive Compensation***

The information required by Item 11 will be contained in, and is hereby incorporated by reference to, the 2018 Proxy Statement.

**ITEM 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by Item 12 will be contained in, and is hereby incorporated by reference to, the 2018 Proxy Statement.

**ITEM 13. *Certain Relationships and Related Transactions, and Director Independence***

The information required by Item 13 will be contained in, and is hereby incorporated by reference to, the 2018 Proxy Statement.

**ITEM 14. *Principal Accounting Fees and Services***

The information required by Item 14 will be contained in, and is hereby incorporated by reference to, the 2018 Proxy Statement.

**PART IV****ITEM 15. Exhibits, Financial Statement Schedules****(a) List of documents filed as part of this report:****(1) Consolidated Financial Statements of LendingTree, Inc.**

Report of Independent Registered Public Accounting Firm: PricewaterhouseCoopers LLP.

Consolidated Statements of Operations and Comprehensive Income for the Years Ended December 31, 2017, 2016 and 2015.

Consolidated Balance Sheets as of December 31, 2017 and 2016.

Consolidated Statements of Shareholders' Equity for the Years Ended December 31, 2017, 2016 and 2015.

Consolidated Statements of Cash Flows for the Years Ended December 31, 2017, 2016 and 2015.

Notes to Consolidated Financial Statements.

**(2) Consolidated Financial Statement Schedules of LendingTree, Inc.**

All financial statements and schedules have been omitted since the required information is included in the consolidated financial statements or the notes thereto, or is not applicable or required.

**(3) Exhibits**

The documents set forth below, numbered in accordance with Item 601 of Regulation S-K, are filed herewith or incorporated herein by reference to the location indicated below.

<b>Exhibit Number</b>	<b>Description</b>	<b>Location</b>
2.1	<a href="#">Separation and Distribution Agreement among IAC/InterActiveCorp, HSN, Inc., Interval Leisure Group, Inc., Ticketmaster and Tree.com, Inc., dated August 20, 2008.</a>	Exhibit 2.1 to the Registrant's Registration Statement on Form S-1 (No. 333-152700), filed August 1, 2008
2.2	<a href="#">Tax Sharing Agreement among IAC/InterActiveCorp, HSN, Inc., Interval Leisure Group, Inc., Ticketmaster and Tree.com, Inc., dated August 20, 2008.</a>	Exhibit 10.2 to the Registrant's Current Report on Form 8-K (No. 001-34063) filed August 25, 2008
2.3	<a href="#">Employee Matters Agreement among IAC/InterActiveCorp, HSN, Inc., Interval Leisure Group, Inc., Ticketmaster and Tree.com, Inc., dated August 20, 2008.</a>	Exhibit 10.3 to the Registrant's Current Report on Form 8-K (No. 001-34063) filed August 25, 2008
2.4	<a href="#">Transition Services Agreement among IAC/InterActiveCorp, HSN, Inc., Interval Leisure Group, Inc., Ticketmaster and Tree.com, Inc., dated August 20, 2008.</a>	Exhibit 10.4 to the Registrant's Current Report on Form 8-K (No. 001-34063) filed August 25, 2008
2.5	<a href="#">Spinco Assignment and Assumption Agreement among IAC/InterActiveCorp, Tree.com, Inc., Liberty Media Corporation and Liberty USA Holdings, LLC, dated August 20, 2008.</a>	Exhibit 10.6 to the Registrant's Current Report on Form 8-K (No. 001-34063) filed August 25, 2008
2.6	<a href="#">Asset Purchase Agreement among Home Loan Center, Inc., First Residential Mortgage Network, Inc. dba SurePoint Lending, and the shareholders of First Residential Mortgage Network named therein, dated November 15, 2010.</a>	Exhibit 2.1 to Registrant's Current Report on Form 8-K (No. 001-34063) filed November 16, 2010
2.7	<a href="#">First Amendment to Asset Purchase Agreement among HLC, SurePoint and the shareholders party thereto, dated March 14, 2011.</a>	Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed March 21, 2011
2.8	<a href="#">Second Amendment to Asset Purchase Agreement among HLC, SurePoint and the shareholders party thereto, dated March 15, 2011.</a>	Exhibit 2.2 to the Registrant's Current Report on Form 8-K filed March 21, 2011

Exhibit Number	Description	Location
2.9	<a href="#">Asset Purchase Agreement among Tree.com, Inc., Home Loan Center, Inc., LendingTree, LLC, HLC Escrow, Inc. and Discover Bank, dated May 12, 2011**</a>	Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed May 16, 2011
2.10	<a href="#">Asset Purchase Agreement among LendingTree, LLC, RealEstate.com, Inc. and Market Leader, Inc., dated September 15, 2011**</a>	Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed September 21, 2011
2.11	<a href="#">Amendment to Asset Purchase Agreement among Home Loan Center, Inc., HLC Escrow, Inc., LendingTree, LLC, Tree.com, Inc., Discover Bank and Discover Financial Services, dated February 7, 2012**</a>	Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed February 8, 2012
2.12	<a href="#">Membership Interest Purchase Agreement, dated as of November 16, 2016, by and among LendingTree, LLC, Iron Horse Holdings, LLC, all of the members of Iron Horse Holdings, LLC and Christopher J. Mettler. **</a>	Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed November 22, 2016
2.13	<a href="#">Assignment and Assumption Agreement, dated November 2, 2017, by and among General Communication, Inc., Liberty Interactive Corporation, Liberty USA Holdings, LLC, Ventures Holdco, LLC, and LendingTree, Inc.</a>	Exhibit 99.7(D) to the Registrant's Current Report on Form SC 13D/A filed November 3, 2017
3.1	<a href="#">Amended and Restated Certificate of Incorporation of LendingTree, Inc.</a>	Exhibit 3.1 to the Registrant's Current Report on Form 8-K (No. 001-34063) filed August 25, 2008
3.2	<a href="#">Fourth Amended and Restated By-laws of LendingTree, Inc.</a>	Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed November 15, 2017
4.1	<a href="#">Amended and Restated Restricted Share Grant and Shareholders' Agreement, among Forest Merger Corp., LendingTree, Inc., InterActiveCorp and the Grantees named therein, dated July 7, 2003*</a>	Exhibit 10.8 to the Registrant's Registration Statement on Form S-1 (No. 333-152700), filed August 1, 2008
4.2	<a href="#">Registration Rights Agreement among Tree.com, Inc., Liberty Media Corporation and Liberty USA Holdings, LLC, dated August 20, 2008.</a>	Exhibit 10.5 to the Registrant's Current Report on Form 8-K (No. 001-34063) filed August 25, 2008
4.3	<a href="#">Indenture for .0625% Convertible Senior Notes due 2022</a>	Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed May 31, 2017
4.4	<a href="#">Purchase Agreement for .0625% Convertible Senior Notes due 2022</a>	Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed May 31, 2017
4.5	<a href="#">Base Issuer Warrant Transaction</a>	Exhibit 99.4 to the Registrant's Current Report on Form 8-K filed May 31, 2017
4.6	<a href="#">Additional Issuer Warrant Transaction</a>	Exhibit 99.5 to the Registrant's Current Report on Form 8-K filed May 31, 2017
10.1	<a href="#">Employment Agreement between LendingTree, Inc. and Gabriel Dalporto, dated March 11, 2015*</a>	Exhibit 10.6 to the Registrant's Annual Report on Form 10-K filed March 16, 2015
10.2	<a href="#">Amendment to Dalporto Employment Agreement*</a>	Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q filed October 26, 2017
10.3	<a href="#">Amendment No. 1 to the Restricted Share Grant and Stockholder's Agreement between Tree.com, Inc., LendingTree Holdings Corp. and Douglas R. Lebda, dated August 30, 2010*</a>	Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q (No. 001-34063) filed November 12, 2010
10.4	<a href="#">Stock Purchase Agreement between Tree.com, Inc. and Douglas R. Lebda, dated February 8, 2009*</a>	Exhibit 10.1 to the Registrant's Current Report on Form 8-K (No. 001-34063) filed February 11, 2009
10.5	<a href="#">Amendment No. 1 to the Stock Option Award Agreement between Douglas R. Lebda and Tree.com, Inc., dated May 10, 2010*</a>	Exhibit 10.15 to the Registrant's Quarterly Report on Form 10-Q (No. 001-34063) filed May 12, 2010
10.6	<a href="#">Amendment No. 1 to Stock Purchase Agreement between Tree.com, Inc. and Douglas R. Lebda, dated May 10, 2010*</a>	Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q (No. 001-34063) filed May 12, 2010
10.7	<a href="#">Form of Amendment to Restricted Stock Awards for Douglas R. Lebda*</a>	Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q filed May 12, 2010

<b>Exhibit Number</b>	<b>Description</b>	<b>Location</b>
10.8	<a href="#">Amendment No. 1 to the Restricted Share Grant and Stockholder's Agreement between Tree.com, Inc., LendingTree Holdings Corp. and Douglas R. Lebda, dated August 30, 2010*</a>	Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q (No. 001-34063) filed November 12, 2010
10.9	<a href="#">Employment Agreement between Douglas Lebda and the Company, dated September 20, 2017*</a>	Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed October 26, 2017
10.10	<a href="#">Offer Letter to J.D. Moriarty, dated March 29, 2017*</a>	Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed October 26, 2017
10.11	<a href="#">Letter Agreement between LendingTree, Inc. and Nikul Patel, dated December 31, 2015*</a>	Exhibit 10.13 to the Registrant's Annual Report on Form 10-K filed March 1, 2016
10.12	<a href="#">Employment Agreement between LendingTree, Inc. and Neil Salvage dated November 28, 2016*</a>	Exhibit 10.35 to the Registrant's Annual Report on Form 10-K filed February 28, 2017
10.13	<a href="#">Letter Agreement between LendingTree, Inc. and Neil Salvage dated November 28, 2016*</a>	Exhibit 10.36 to the Registrant's Annual Report on Form 10-K filed February 28, 2017
10.14	<a href="#">Letter Agreement between Tree.com, Inc. and Carla Shumate, dated December 11, 2012*</a>	Exhibit 10.1 to the Registrant's Annual Report on Form 10-K filed April 1, 2013
10.15	<a href="#">Letter Agreement between LendingTree, Inc. and Carla Shumate, dated March 11, 2015*</a>	Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed April 30, 2015
10.16	<a href="#">Letter Agreement between LendingTree, Inc. and Carla Shumate, dated December 31, 2015*</a>	Exhibit 10.6 to the Registrant's Annual Report on Form 10-K filed March 1, 2016
10.17	<a href="#">Fifth Amended and Restated Tree.com, Inc. 2008 Stock and Annual Incentive Plan*</a>	Exhibit 4.3(A) to the Registrant's Registration Statement on Form S-8 (No. 333-218747), filed June 14, 2017
10.18	<a href="#">Form of Notice of Stock Option Award Granted Under the 2008 Stock and Annual Incentive Plan*</a>	Exhibit 10.6 to the Registrant's Current Report on Form 8-K (No. 001-34063) filed March 27, 2009
10.19	<a href="#">Form of Notice of Restricted Stock Unit Award*</a>	Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed May 7, 2014
10.20	<a href="#">Form of Notice of Restricted Stock Award*</a>	Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q filed May 7, 2014
10.21	<a href="#">Form of Notice of Stock Option Award Granted Under the 2008 Stock and Annual Incentive Plan*</a>	Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q filed May 7, 2014
10.22	<a href="#">LendingTree, Inc. 2017 Inducement Grant Plan*</a>	Exhibit 4.4(A) to the Registrant's Registration Statement on Form S-8 (No. 333-218747), filed June 14, 2017
10.23	<a href="#">Notice of Restricted Stock Unit Award Granted Under the LendingTree, Inc. 2017 Inducement Plan*</a>	Exhibit 4.4(B) to the Registrant's Registration Statement on Form S-8 (No. 333-218747), filed June 14, 2017
10.24	<a href="#">Restricted Stock Award Agreement*</a>	Exhibit 4.4(C) to the Registrant's Registration Statement on Form S-8 (No. 333-218747), filed June 14, 2017
10.25	<a href="#">Notice of [year] Stock Option Award Granted Under the LendingTree, Inc. 2017 Inducement Grant Plan*</a>	Exhibit 4.4(D) to the Registrant's Registration Statement on Form S-8 (No. 333-218747), filed June 14, 2017
10.26	<a href="#">2011 Deferred Compensation Plan for Non-Employee Directors*</a>	Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed April 30, 2015
10.27	<a href="#">Deferred Compensation Plan for Non-Employee Directors*</a>	Exhibit 10.15 to the Registrant's Registration Statement on Form S-1 (No. 333-152700), filed August 1, 2008
10.28	<a href="#">Standard Terms and Conditions to Restricted Stock Award Letters of Tree.com BU Holding Company, Inc.*</a>	Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed February 3, 2011
10.29	<a href="#">Form of Notice of Restricted Stock Unit Award*</a>	Exhibit 10.86(b) to the Registrant's Post-Effective Amendment to its Registration Statement on Form S-1 (No. 333-152700), filed July 13, 2012
10.30	<a href="#">Form of Restricted Stock Award*</a>	Exhibit 10.86(c) to the Registrant's Post-Effective Amendment to its Registration Statement on Form S-1 (No. 333-152700), filed July 13, 2012

Exhibit Number	Description	Location
10.31	<a href="#">Form of Notice of Stock Option Award Granted Under the Amended and Restated 2008 Stock and Annual Incentive Plan*</a>	Exhibit 10.86(d) to the Registrant's Post-Effective Amendment to its Registration Statement on Form S-1 (No. 333-152700), filed July 13, 2012
10.32	<a href="#">Form of Notice of Stock Option Award Granted Under the Second Amended and Restated 2008 Stock and Annual Incentive Plan*</a>	Exhibit 10.13 to the Registrant's Quarterly Report on Form 10-Q (No. 001-34063) filed May 12, 2010
10.33	<a href="#">Base Convertible Bond Hedge Transaction</a>	Exhibit 99.2 to the Registrant's Current Report on Form 8-K filed May 31, 2017
10.34	<a href="#">Additional Convertible Bond Hedge Transaction</a>	Exhibit 99.3 to the Registrant's Current Report on Form 8-K filed May 31, 2017
10.35	<a href="#">Credit Agreement by and among LendingTree, LLC, LendingTree, Inc. and SunTrust Bank, dated October 22, 2015</a>	Exhibit 99.1 to the Registrant's Quarterly Report on Form 10-Q filed October 26, 2015
10.36	<a href="#">First Amendment to Credit Agreement by and among LendingTree, LLC, LendingTree, Inc. and SunTrust Bank, dated February 25, 2016</a>	Exhibit 10.30 to the Registrant's Annual Report on Form 10-K filed February 28, 2017
10.37	<a href="#">Second Amendment to Credit Agreement</a>	Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed May 23, 2017
10.38	<a href="#">Amended and Restated Credit Agreement, dated as of November 21, 2017</a>	†+
10.39	<a href="#">Agreement of Purchase and Sale, by and among LendingTree, LLC and an affiliate of Greenstreet Real Estate Partners, L.P., dated October 17, 2016</a>	Exhibit 10.31 to the Registrant's Annual Report on Form 10-K filed February 28, 2017
10.40	<a href="#">First Amendment to Purchase and Sale, by and among LendingTree, LLC and an affiliate of Greenstreet Real Estate Partners, L.P., dated November 28, 2016</a>	Exhibit 10.32 to the Registrant's Annual Report on Form 10-K filed February 28, 2017
21.1	<a href="#">Subsidiaries of LendingTree, Inc.</a>	†
23.1	<a href="#">Consent of independent registered public accounting firm.</a>	†
24.1	<a href="#">Power of Attorney (included on signature page of this Annual Report on Form 10-K)</a>	†
31.1	<a href="#">Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>	†
31.2	<a href="#">Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>	†
32.1	<a href="#">Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>	††
32.2	<a href="#">Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>	††
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	†††
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	†††
101.INS	XBRL Instance Document	†††
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	†††
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	†††
101.SCH	XBRL Taxonomy Extension Schema Document	†††

† Filed herewith



†† This certification is being furnished solely to accompany this report pursuant to 18 U.S.C. 1350, and is not being filed for purposes of Section 18 of the Exchange Act and is not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

††† Furnished herewith. Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act are deemed not filed for purposes of Section 18 of the Exchange Act and otherwise are not subject to liability under those sections.

\* Management contract or compensation plan or arrangement.

\*\* Certain schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(b)(2). The Company agrees to furnish supplementally a copy of all omitted schedules to the SEC upon its request.

+ Portions of this exhibit have been omitted pursuant to a request for confidential treatment and this exhibit has been submitted separately to the SEC.

**ITEM 16. Form 10-K Summary**

Not applicable.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 26, 2018

LendingTree, Inc.

By:           /s/ DOUGLAS R. LEBDA          

Douglas R. Lebda

*Chairman and Chief Executive Officer*

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below constitutes and appoints Katharine Pierce as his or her true and lawful attorney and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and to file the same with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney and agent may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ DOUGLAS R. LEBDA</u> Douglas R. Lebda	Chairman, Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	February 26, 2018
<u>/s/ J.D. MORIARTY</u> J.D. Moriarty	Chief Financial Officer <i>(Principal Financial Officer)</i>	February 26, 2018
<u>/s/ CARLA SHUMATE</u> Carla Shumate	Senior Vice President and Chief Accounting Officer <i>(Principal Accounting Officer)</i>	February 26, 2018
<u>/s/ GABRIEL DALPORTO</u> Gabriel Dalporto	Director	February 26, 2018
<u>/s/ THOMAS DAVIDSON</u> Thomas Davidson	Director	February 26, 2018
<u>/s/ NEAL DERMER</u> Neal Dermer	Director	February 26, 2018
<u>/s/ ROBIN HENDERSON</u> Robin Henderson	Director	February 26, 2018
<u>/s/ PETER HORAN</u> Peter Horan	Director	February 26, 2018
<u>/s/ STEVEN OZONIAN</u> Steven Ozonian	Director	February 26, 2018
<u>/s/ SARAS SARASVATHY</u> Saras Sarasvathy	Director	February 26, 2018
<u>/s/ G. KENNEDY THOMPSON</u> G. Kennedy Thompson	Director	February 26, 2018
<u>/s/ CRAIG TROYER</u> Craig Troyer	Director	February 26, 2018

**AMENDED AND RESTATED CREDIT AGREEMENT**

**dated as of November 21, 2017**

among

**LENDINGTREE, LLC**

as the Borrower,

**LENDINGTREE, INC.,**

as Parent,

**THE LENDERS FROM TIME TO TIME PARTY HERETO**

and

**SUNTRUST BANK**

as Administrative Agent

with

**SUNTRUST ROBINSON HUMPHREY, INC. ,**

as Sole Arranger and Bookrunner,

and

**BANK OF AMERICA, N.A.,  
ROYAL BANK OF CANADA,  
FIFTH THIRD BANK,**

and

**REGIONS BANK,**  
as Co-Syndication Agents

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**AMENDED AND RESTATED CREDIT AGREEMENT**

**THIS AMENDED AND RESTATED CREDIT AGREEMENT** (this “Agreement”) is made and entered into as of November 21, 2017, by and among LENDINGTREE, LLC, a Delaware limited liability company (the “Borrower”), LENDINGTREE, INC., a Delaware corporation (“Parent”), the several banks and other financial institutions and lenders from time to time party hereto (the “Lenders”), and SUNTRUST BANK, in its capacity as administrative agent for itself and the Lenders (the “Administrative Agent”), as issuing bank (the “Issuing Bank”) and as swingline lender (the “Swingline Lender”).

**WITNESSETH:**

**WHEREAS**, the Borrower, the lenders party thereto, and SunTrust Bank, as administrative agent, entered into that certain Credit Agreement dated as of October 22, 2015 (as amended prior to the date hereof, the “Existing Credit Agreement”) pursuant to which the lenders party thereto have made available certain credit extensions pursuant to the terms and conditions of the Existing Credit Agreement;

**WHEREAS**, the Borrower has requested, and the Administrative Agent and the Lenders party hereto have agreed, subject to the terms hereof, that the Existing Credit Agreement be amended and restated in order to, among other things, extend the maturity dates provided therein, increase the total borrowings, and make certain other amendments and modifications to the Existing Credit Agreement;

**WHEREAS**, it is the intent of the parties hereto that this Agreement amend and restate in its entirety the Existing Credit Agreement and that this Agreement does not and shall not constitute a novation of the obligations and liabilities of the parties under the Existing Credit Agreement; and

**WHEREAS**, it is further the intent of the parties to confirm that all Obligations (as defined in the Existing Credit Agreement) under the Loan Documents (as defined in the Existing Credit Agreement) shall continue in full force and effect and that, from and after the Restatement Date, all references to the “Credit Agreement” and “Loan Documents” contained therein shall be deemed to refer to this Agreement and the Loan Documents (as defined herein).

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants herein contained, Parent, the Borrower, the Lenders, the Administrative Agent, the Issuing Bank and the Swingline Lender agree as follows:

**ARTICLE I**

**DEFINITIONS; CONSTRUCTION**

**Section 1.1** **Definitions.** In addition to the other terms defined herein, the following terms used herein shall have the meanings herein specified (to be equally applicable to both the singular and plural forms of the terms defined):

“Account Control Agreement” shall mean any tri-party agreement by and among a Loan Party, the Administrative Agent and a depository bank or securities intermediary at which such Loan Party maintains a Controlled Account, in each case in form and substance reasonably satisfactory to the Administrative Agent.

“Acquisition” shall mean (a) any Investment by Parent or any of its Subsidiaries in any other Person organized in the United States (with substantially all of the assets of such Person and its Subsidiaries located in the United States), pursuant to which such Person shall become a Subsidiary of Parent or any of its Subsidiaries or shall be merged with Parent or any of its Subsidiaries or (b) any acquisition by Parent or any of its Subsidiaries of the assets of any Person (other than a Subsidiary of Parent) that constitute all or substantially all of the assets of such Person or a division or business unit of such Person, whether through purchase, merger or other business combination or transaction (and substantially all of such assets, division or business unit are located in the United States). With respect to a determination of the amount of an Acquisition, such amount shall include all consideration (including any deferred payments) set forth in the applicable agreements governing such Acquisition as well as the assumption of any Indebtedness in connection therewith; provided that any deferred payment that is subject to a contingency shall be considered in determining the amount of the Acquisition only to the extent of the reserve, if any, required under GAAP (as determined at the time of the consummation of such Permitted Acquisition) to be established in respect thereof by Parent or any of its Subsidiaries.

“Additional Lender” shall have the meaning set forth in Section 2.23.

“Adjusted LIBO Rate” shall mean, with respect to each Interest Period for a Eurodollar Loan, (i) the rate *per annum* equal to the London interbank offered rate for deposits in Dollars appearing on Reuters screen page LIBOR 01 (or on any successor or substitute page of such service or any successor to such service, or such other commercially available source providing

such quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 A.M. (London time) two (2) Business Days prior to the first day of such Interest Period, with a maturity comparable to such Interest Period (provided that if such rate is less than zero, such rate shall be deemed to be zero), divided by (ii) a percentage equal to 1.00% minus the then stated maximum rate of all reserve requirements (including any marginal, emergency, supplemental, special or other reserves and without benefit of credits for proration, exceptions or offsets that may be available from time to time) applicable to any member bank of the Federal Reserve System in respect of Eurocurrency liabilities as defined in Regulation D (or any successor category of liabilities under Regulation D); provided, that (x) if the rate referred to in clause (i) above is not available at any such time for any reason, then the rate referred to in clause (i) shall instead be the interest rate *per annum*, as reasonably determined by the Administrative Agent, to be the arithmetic average of the rates *per annum* at which deposits in U.S. Dollars in an amount equal to the amount of such Eurodollar Loan are offered by major banks in the London interbank market to the Administrative Agent at approximately 11:00 A.M. (London time), two (2) Business Days prior to the first day of such Interest Period for contracts that would be entered into at the commencement of such Interest Period for the same duration as such Interest Period, provided that any such rate determination shall be consistent with similar rate determinations for other customers of the Administrative Agent similarly situated as Borrower, and (y) if the interest rate for any Eurodollar Loan determined pursuant to this definition is less than zero, then the Adjusted LIBO Rate for such Eurodollar Loan shall be deemed to equal zero.

“Administrative Agent” shall have the meaning set forth in the introductory paragraph hereof.

“Administrative Questionnaire” shall mean, with respect to each Lender, an administrative questionnaire in the form provided by the Administrative Agent and submitted to the Administrative Agent duly completed by such Lender.

“Affiliate” shall mean, as to any Person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person. For the purposes of this definition, “Control” shall mean the power, directly or indirectly, either to (i) vote 25% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of a Person or (ii) direct or cause the direction of the management and policies of a Person, whether through the ability to exercise voting power, by control or otherwise. The terms “Controlled by” and “under common Control with” have the meanings correlative thereto.

“Affiliated Persons” mean, with respect to any specified Permitted Holder which is a natural person, (a) such specified person’s parents, spouse, siblings, descendants, step children, step grandchildren, nieces and nephews and their respective spouses, (b) the estate, legatees and devisees of such specified person and each of the persons referred to in clause (a), and (c) any company, partnership, trust, foundation or other entity or investment vehicle created for the benefit of, or controlled by, any of the persons referred to in clause (a) or (b) or created by any such person for the benefit of any charitable organization or for a charitable purpose.

“Aggregate Revolving Commitment Amount” shall mean the aggregate principal amount of the Aggregate Revolving Commitments from time to time. On the Restatement Date, the Aggregate Revolving Commitment Amount is \$250,000,000.

“Aggregate Revolving Commitments” shall mean, collectively, all Revolving Commitments of all Lenders at any time outstanding.

“Anti-Corruption Laws” shall mean all laws, rules, and regulations of any jurisdiction applicable to Parent or its Subsidiaries (or, as such term is used in the definition of the term “Liberty Successor”, to Liberty Successor) from time to time concerning or relating to bribery or corruption.

“Applicable Lending Office” shall mean, for each Lender and for each Type of Loan, the “Lending Office” of such Lender (or an Affiliate of such Lender) designated for such Type of Loan in the Administrative Questionnaire submitted by such Lender or such other office of such Lender (or such Affiliate of such Lender) as such Lender may from time to time specify to the Administrative Agent and the Borrower as the office by which its Loans of such Type are to be made and maintained.

“Applicable Margin” shall mean, as of any date, the percentage *per annum* determined by reference to the applicable Consolidated Total Net Leverage Ratio in effect on such date as set forth on Schedule I; provided that a change in the Applicable Margin resulting from a change in the Consolidated Total Net Leverage Ratio shall be effective on the second Business Day after which Parent delivers each of the financial statements required by Section 5.1(a) and (b) and the Compliance Certificate required by Section 5.1(c); provided, further, that if at any time Parent shall have failed to deliver such financial statements and such Compliance Certificate when so required, the Applicable Margin shall be at Level I as set forth on Schedule I until such time as such financial statements and Compliance Certificate are delivered, at which time the Applicable Margin shall be determined as provided above. Notwithstanding the foregoing, the Applicable Margin from the Restatement Date until the date by which the financial statements and Compliance Certificate for the Fiscal Quarter ending December 31, 2017, are required to be delivered

shall be at Level II as set forth on Schedule I. In the event that any financial statement or Compliance Certificate delivered hereunder is shown to be inaccurate (regardless of whether this Agreement or the Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Margin based upon the pricing grid set forth on Schedule I (the “Accurate Applicable Margin”) for any period that such financial statement or Compliance Certificate covered, then (i) Parent shall immediately deliver to the Administrative Agent a correct financial statement or Compliance Certificate, as the case may be, for such period, (ii) the Applicable Margin shall be adjusted such that after giving effect to the corrected financial statement or Compliance Certificate, as the case may be, the Applicable Margin shall be reset to the Accurate Applicable Margin based upon the pricing grid set forth on Schedule I for such period and (iii) the Borrower shall immediately pay to the Administrative Agent, for the account of the Lenders, the accrued additional interest owing as a result of such Accurate Applicable Margin for such period. The provisions of this definition shall not limit the rights of the Administrative Agent and the Lenders with respect to Section 2.13(c) or Article VIII.

“Applicable Percentage” shall mean, as of any date, with respect to the commitment fee as of such date, the percentage *per annum* determined by reference to the Consolidated Total Net Leverage Ratio in effect on such date as set forth on Schedule I; provided that a change in the Applicable Percentage resulting from a change in the Consolidated Total Net Leverage Ratio shall be effective on the second Business Day after which Parent delivers each of the financial statements required by Section 5.1(a) and (b) and the Compliance Certificate required by Section 5.1(c); provided, further, that if at any time Parent shall have failed to deliver such financial statements and such Compliance Certificate when so required, the Applicable Percentage shall be at Level I as set forth on Schedule I until such time as such financial statements and Compliance Certificate are delivered, at which time the Applicable Percentage shall be determined as provided above. Notwithstanding the foregoing, the Applicable Percentage for the commitment fee from the Restatement Date until the date by which the financial statements and Compliance Certificate for the Fiscal Quarter ending December 31, 2017, are required to be delivered shall be at Level II as set forth on Schedule I. In the event that any financial statement or Compliance Certificate delivered hereunder is shown to be inaccurate (regardless of whether this Agreement or the Commitments are in effect when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Percentage based upon the pricing grid set forth on Schedule I (the “Accurate Applicable Percentage”) for any period that such financial statement or Compliance Certificate covered, then (i) Parent shall immediately deliver to the Administrative Agent a correct financial statement or Compliance Certificate, as the case may be, for such period, (ii) the Applicable Percentage shall be adjusted such that after giving effect to the corrected financial statement or Compliance Certificate, as the case may be, the Applicable Percentage shall be reset to the Accurate Applicable Percentage based upon the pricing grid set forth on Schedule I for such period and (iii) the Borrower shall immediately pay to the Administrative Agent, for the account of the Lenders, the accrued additional commitment fee owing as a result of such Accurate Applicable Percentage for such period. The provisions of this definition shall not limit the rights of the Administrative Agent and the Lenders with respect to Section 2.13(c) or Article VIII.

“Approved Fund” shall mean any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (i) a Lender, (ii) an Affiliate of a Lender or (iii) an entity or an Affiliate of an entity that administers or manages a Lender.

“Assignment and Assumption” shall mean an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.4(b)) and accepted by the Administrative Agent, in substantially the form of Exhibit A attached hereto or any other form approved by the Administrative Agent.

“Availability Period” shall mean the period from the Restatement Date to but excluding the Revolving Commitment Termination Date.

“Bail-In Action” shall mean the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

“Bail-In Legislation” shall mean, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

“Bank Product Obligations” shall mean, collectively, all obligations and other liabilities of any Loan Party to any Bank Product Provider arising with respect to any Bank Products.

“Bank Product Provider” shall mean any Person that, at the time it provides any Bank Product to any Loan Party, (i) is a Lender or an Affiliate of a Lender and (ii) except when the Bank Product Provider is SunTrust Bank and its Affiliates, has provided concurrent or subsequent written notice to the Administrative Agent which has been acknowledged by the Borrower of (x) the existence of such Bank Product, (y) the maximum dollar amount of obligations arising thereunder (the “Bank Product”

Amount”) and (z) the methodology to be used by such parties in determining the obligations under such Bank Product from time to time ( provided, however, Bank Product Obligations shall be excluded from the application of proceeds described in Section 8.2 until the Administrative Agent has received written notice and such supporting documentation as described above from the Bank Product Provider). In no event shall any Bank Product Provider acting in such capacity be deemed a Lender for purposes hereof to the extent of and as to Bank Products except that each reference to the term “Lender” in Article IX and Section 10.3(b) shall be deemed to include such Bank Product Provider and in no event shall the approval of any such person in its capacity as Bank Product Provider be required in connection with the release or termination of any security interest or Lien of the Administrative Agent. The Bank Product Amount may be changed from time to time upon written notice to the Administrative Agent by the applicable Bank Product Provider. No Bank Product Amount may be established at any time that a Default or Event of Default exists.

“Bank Products” shall mean any of the following services provided to any Loan Party by any Bank Product Provider: (a) any treasury or other cash management services, including deposit accounts, automated clearing house (ACH) origination and other funds transfer, depository (including cash vault and check deposit), zero balance accounts and sweeps, return items processing, controlled disbursement accounts, positive pay, lockboxes and lockbox accounts, account reconciliation and information reporting, payables outsourcing, payroll processing, trade finance services, investment accounts and securities accounts, and (b) card services, including credit cards (including purchasing cards and commercial cards), prepaid cards, including payroll, stored value and gift cards, merchant services processing, and debit card services.

“Base Rate” shall mean for any day a rate per annum equal to the highest of (i) the rate of interest which the Administrative Agent announces from time to time as its prime lending rate, as in effect from time to time (the “Prime Rate”), (ii) the Federal Funds Rate, as in effect from time to time, plus one-half of one percent (0.50%) *per annum* and (iii) the Adjusted LIBO Rate determined on a daily basis for an Interest Period of one (1) month, plus one percent (1.00%) *per annum* (any changes in such rates to be effective as of the date of any change in such rate); provided, that if the Base Rate would otherwise be less than zero percent, then the Base Rate shall be deemed to be zero percent. The Administrative Agent’s prime lending rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. The Administrative Agent may make commercial loans or other loans at rates of interest at, above, or below the Administrative Agent’s prime lending rate. Any change in the Base Rate due to a change in the Prime Rate, the Federal Funds Rate, or the Adjusted LIBO Rate will be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Rate, or the Adjusted LIBO Rate.

“Beneficial Owner” shall mean, with respect to any amount paid hereunder or under any other Loan Document, the Person that is the beneficial owner, for U.S. federal income tax purposes, of such payment.

“Benefit Plan” shall mean any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code or (c) any person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“Borrower” shall have the meaning set forth in the introductory paragraph hereof.

“Borrower Materials” shall mean all financial projections and other information that has been or will be made available to the Sole Arranger or any of the Lenders by the Parent, the Borrower, or any of their representatives (or on their behalf) in connection with this Agreement and the transactions contemplated hereunder.

“Borrowing” shall mean a borrowing consisting of (i) Loans of the same Class and Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect, or (ii) a Swingline Loan.

“Business Day” shall mean any day other than (i) a Saturday, Sunday or other day on which commercial banks in Atlanta, Georgia or New York, New York are authorized or required by law to close and (ii) if such day relates to a Borrowing of, a payment or prepayment of principal or interest on, a conversion of or into, or an Interest Period for, a Eurodollar Loan or a notice with respect to any of the foregoing, any such day that is also a day on which dealings in Dollar deposits are not conducted by and between banks in the London interbank market.

“Capital Expenditures” shall mean, for any period, without duplication, (i) the additions to property, plant and equipment and other capital expenditures of Parent and its Subsidiaries that are (or would be) set forth on a consolidated statement of cash flows of Parent for such period prepared in accordance with GAAP and (ii) Capital Lease Obligations incurred by Parent and its Subsidiaries during such period, excluding any expenditure to the extent such expenditure is part of the aggregate amounts payable in connection with, or other consideration for, any Permitted Acquisition consummated during or prior to such period.

“Capital Lease Obligations” of any Person shall mean all obligations of such Person to pay rent or other amounts under any lease (or other arrangement conveying the right to use) of real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Capital Stock” shall mean all shares, options, warrants, general or limited partnership interests, membership interests or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity whether voting or nonvoting, including common stock, preferred stock or any other “equity security” (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Exchange Act).

“Capped Adjustments” shall mean (a) any additions to Consolidated EBITDA pursuant to clause (ii)(G) of the definition of such term, (b) any additions to Consolidated EBITDA pursuant to clause (ii)(H) of the definition of such term, and (c) any Pro Forma Capped Adjustments.

“Cash Collateralize” shall mean, in respect of any obligations, to provide and pledge (as a first priority perfected security interest) cash collateral for such obligations in Dollars with the Administrative Agent pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent (and “Cash Collateralized” and “Cash Collateralization” have the corresponding meanings).

“Cash Equivalents” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from a Credit Rating Agency;

(c) investments in certificates of deposit, banker’s acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA and Aaa (or equivalent rating) by at least two Credit Rating Agencies, and (iii) have portfolio assets of at least \$5,000,000,000.

“Change in Control” shall mean (a) the acquisition of beneficial ownership, directly or indirectly, by any Person or group (such Person or group, the “Transferee”) (excluding any Permitted Holder or group Controlled by any Permitted Holder) of more than 35% of the aggregate voting power (with equivalent economic interests) of all outstanding classes or series of the Parent’s voting stock (“Total Voting Power”), unless either (i) the Permitted Holders beneficially own a majority of the Total Voting Power or (ii) if the Permitted Holders beneficially own less than a majority of the Total Voting Power, the Total Voting Power represented by the shares beneficially owned by the Permitted Holders exceeds the Total Voting Power represented by shares beneficially owned by such acquiring person or group; or (b) Parent ceases to own and control, directly or indirectly, beneficially and of record, 100% of the outstanding shares of voting stock (with equivalent economic interests) of Borrower. For the purposes of this definition, “Control” shall mean the power, directly or indirectly, to direct or cause the direction of the management and policies, or the dismissal or appointment of the management, of a Person, whether through the ability to exercise voting power, by contract or otherwise. The terms “Controlled by” and “under common Control with” have the meanings correlative thereto.

“Change in Law” shall mean the occurrence, after the date of this Agreement, of any of the following: (i) the adoption or taking effect of any law, rule, regulation or treaty, (ii) any change in any law, rule, regulation or treaty, or in the administration, interpretation, implementation or application thereof, by any Governmental Authority, or (iii) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) of any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority)

or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Class”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Swingline Loans, or Incremental Term Loans and when used in reference to any Commitment, refers to whether such Commitment is a Revolving Commitment, a Swingline Commitment, or an Incremental Term Loan commitment.

“Closing Date” shall mean October 22, 2015.

“Code” shall mean the Internal Revenue Code of 1986, as amended and in effect from time to time.

“Collateral” shall mean all tangible and intangible property, real and personal, of any Loan Party that is or purports to be the subject of a Lien to the Administrative Agent to secure the whole or any part of the Obligations or any Guarantee thereof, and shall include, without limitation, all casualty insurance proceeds and condemnation awards with respect to any of the foregoing. In all cases, the pledging as Collateral of Capital Stock of any Foreign Subsidiary held or owned by any Loan Party shall be limited to 66% of the issued and outstanding voting Capital Stock and 100% of the issued and outstanding non-voting Capital Stock of such Foreign Subsidiary, as applicable.

“Collateral Access Agreement” shall mean each landlord waiver or bailee agreement granted to, and in form and substance reasonably acceptable to, the Administrative Agent.

“Collateral Documents” shall mean, collectively, the Guaranty and Security Agreement, the Account Control Agreements, the Information and Collateral Disclosure Certificate, all Copyright Security Agreements, all Patent Security Agreements, all Trademark Security Agreements, all Collateral Access Agreements, all assignments of key man life insurance policies and all other instruments and agreements now or hereafter securing or perfecting the Liens securing the whole or any part of the Obligations or any Guarantee thereof, all UCC financing statements, fixture filings and stock powers, and all other documents, instruments, agreements and certificates executed and delivered by any Loan Party to the Administrative Agent and the Lenders in connection with the foregoing.

“Commitment” shall mean a Revolving Commitment, a Swingline Commitment, or an Incremental Term Loan commitment or any combination thereof (as the context shall permit or require).

“Commodity Exchange Act” shall mean the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended and in effect from time to time, and any successor statute.

“Competitor” shall mean, as of any date, any Person for which a substantial portion of its business is the online loan or consumer credit products marketplace business or performance marketing for financial services and who is a competitor of Parent or any of its Subsidiaries, which Person has been identified in writing to the Administrative Agent as a “Competitor” and set forth in that certain letter agreement dated as of the Restatement Date delivered by the Borrower to the Administrative Agent; provided, that, after the Restatement Date, the Borrower may designate additional similar Persons in an updated letter agreement as “Competitors” for purposes of this definition with the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, further, that (i) any updated letter agreement shall not be effective until 3 Business Days after delivered to the Administrative Agent and the Lenders and (ii) no updated letter agreement shall have a retroactive effect on any assignment entered into prior to the effectiveness of such updated letter agreement.

“Compliance Certificate” shall mean a certificate from the principal executive officer or a Financial Officer of Parent in the form of, and containing the certifications set forth in, the certificate attached hereto as Exhibit 5.1 (c).

“Connection Income Taxes” shall mean Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated EBITDA” shall mean, for Parent and its Subsidiaries for any period, an amount equal to the sum of (i) Consolidated Net Income for such period plus (ii) to the extent deducted in determining Consolidated Net Income for such period, and without duplication, (A) Consolidated Interest Expense, (B) income tax expense determined on a consolidated basis in accordance with GAAP, (C) depreciation and amortization determined on a consolidated basis in accordance with GAAP, including, without limitation, amortization of intangible assets acquired through Acquisitions, (D) non-cash compensation expenses including, without limitation, non-cash expenses incurred pursuant to any management equity plan, stock option plan or any other stock subscription or shareholder agreement resulting from the grant of stock options or other equity-based incentives to any director, officer or employee of Parent or any of the Subsidiaries or incurred pursuant to other stock-settled obligations, (E) non-cash asset impairment charges (excluding, for the avoidance of doubt, any write-down of accounts receivable or any

additions to bad debt expense), (F) losses on sales, dispositions or abandonments of assets, in each case, outside the ordinary course of business, (G) any non-recurring restructuring, severance and similar charges, costs and expenses (including, without limitation, severance, relocation or lease termination costs and acquisition integration costs) for such period, provided that the amount of charges, costs and expenses added back pursuant to this clause (G) for such period, together with the aggregate amount of all other Capped Adjustments for such period, shall not exceed 20% of Consolidated EBITDA for such period determined prior to giving effect to any addback for any Capped Adjustments, (H) litigation settlements and contingencies and legal fees for certain patent litigation, provided that the amount of charges, costs and expenses added back pursuant to this clause (H) for such period, together with the aggregate amount of all other Capped Adjustments for such period, shall not exceed 20% of Consolidated EBITDA for such period determined prior to giving effect to any addback for any Capped Adjustments, (I) out-of-pocket transaction costs, expenses, and fees (including, without limitation, legal fees and accounting fees) incurred in connection with (1) the drafting, negotiation, and closing of the Loan Documents, including, without, limitation, any amendment or other modification thereto, (2) the drafting, negotiation, and closing of any Acquisition, or (3) the restructuring or reorganization of Parent and its Subsidiaries to the extent such restructuring or reorganization is permitted under the Loan Documents, (J) the amount of customary board, monitoring, consulting or advisory fees, indemnities and related expenses paid or accrued in such period, (K) charges for such period recognized on changes in the fair value of contingent consideration payable by, and non-cash charges for such period recognized on changes in the fair value of the noncontrolling interest in any acquiree acquired by, Parent or any Subsidiary of Parent in any business combination, and (L) other non-recurring charges, costs and expenses for such period (it being understood that items of the type referred to in clause (G) may only be added back pursuant to clause (G) and not this clause (L)); provided that, for purposes of calculating compliance with the financial covenant set forth in Article VI, to the extent that during such period any Loan Party shall have consummated a Permitted Acquisition, or any sale, transfer or other disposition of any Person, business, property or assets, Consolidated EBITDA shall be calculated on a Pro Forma Basis with respect to such Person, business, property or assets so acquired or disposed of; provided, further, that the additions to Consolidated EBITDA set forth in the foregoing clauses (A) through (L), as well as any adjustments to Consolidated EBITDA under the Pro Forma Basis definition, will be set forth in a certificate of a Responsible Officer of Parent in form and substance satisfactory to the Administrative Agent.

Notwithstanding the foregoing, for the following Fiscal Quarters, Consolidated EBITDA will be deemed to be as follows: for the Fiscal Quarter ended on December 31, 2016, \$21,127,577, for the Fiscal Quarter ended on March 31, 2017, \$25,162,781, for the Fiscal Quarter ended on June 30, 2017, \$28,589,226, and for the Fiscal Quarter ended on September 30, 2017, \$35,433,032.

“Consolidated Interest Expense” shall mean, for Parent and its Subsidiaries for any period, determined on a consolidated basis in accordance with GAAP, the sum of (i) total interest expense, including, without limitation, the interest component of any payments in respect of Capital Lease Obligations, capitalized or expensed during such period (whether or not actually paid during such period) plus (ii) the net amount payable (or minus the net amount receivable) with respect to Hedging Transactions during such period (whether or not actually paid or received during such period).

“Consolidated Net Income” shall mean, for Parent and its Subsidiaries for any period, the net income (or loss) of Parent and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, but excluding therefrom (to the extent otherwise included therein) (i) any extraordinary gains or losses, (ii) income or loss from discontinued operations, (iii) any gains attributable to write-ups of assets or the sale of assets (other than the sale of inventory in the ordinary course of business), (iv) any equity interest of Parent or any Subsidiary of Parent in the unremitted earnings of any Person that is not a Subsidiary, (v) any income (or loss) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with Parent or any Subsidiary or the date that such Person’s assets are acquired by Parent or any Subsidiary and (vi) any income (or loss) from the early extinguishment or modification of debt.

“Consolidated Revenues” shall mean, for any period, the aggregate revenues of Parent and the Subsidiaries, determined on a consolidated basis in accordance with GAAP.

“Consolidated Senior Secured Debt” shall mean, as of any date, the amount of Consolidated Total Funded Debt that is secured by a Lien on any asset or property of Parent or any of its Subsidiaries.

“Consolidated Total Assets” shall mean, at any time, the consolidated total assets of Parent and its Subsidiaries, as such amount would appear on a consolidated balance sheet of Parent prepared as of such date in accordance with GAAP.

“Consolidated Total Funded Debt” shall mean, as of any date, all Indebtedness of Parent and its Subsidiaries described in clauses (i), (ii), (iv) (but only to the extent such Indebtedness is due and payable but remains unpaid), (vi), and (vii) of the definition of Indebtedness herein (excluding any intercompany Indebtedness), measured on a consolidated basis as of such date.

Notwithstanding the foregoing, for purposes of calculating the Consolidated Total Net Leverage Ratio and the Senior Secured Net Leverage Ratio in connection with any “incurrence test” set forth in (a) the definition of “Maximum Incremental Commitment Amount,” (b) the definition of “Permitted Acquisition,” (c) the definition of “Permitted Specified Real Estate Finance Transaction,” (d) Section 2.23, (e) Section 7.1, (f) Section 7.4, (g) Section 7.5, or (h) Section 7.6, the Consolidated Total Funded Debt in such calculations shall include all Indebtedness of Parent and its Subsidiaries described in clause (iv) of the definition of Indebtedness.

“Consolidated Total Net Leverage Ratio” shall mean, as of any date, the ratio of (a) the sum of (i) Consolidated Total Funded Debt as of such date minus (ii) an aggregate amount of Parent and its Subsidiaries’ unrestricted cash and Cash Equivalents located in the United States not to exceed \$50,000,000 (in each case, that are free and clear of all Liens (other than Liens securing Obligations)) as of such date to (b) Consolidated EBITDA for the four consecutive Fiscal Quarters ending on such date.

“Contractual Obligation” of any Person shall mean any provision of any security issued by such Person or of any agreement, instrument or undertaking under which such Person is obligated or by which it or any of the property in which it has an interest is bound.

“Controlled Account” shall have the meaning set forth in Section 5.11.

“Copyright” shall have the meaning assigned to such term in the Guaranty and Security Agreement.

“Copyright Security Agreement” shall mean any Copyright Security Agreement executed by a Loan Party owning registered Copyrights or applications for Copyrights in favor of the Administrative Agent for the benefit of the Secured Parties, both on the Closing Date and thereafter.

“Credit Rating Agency” means a nationally recognized credit rating agency that evaluates the financial condition of issuers of debt instruments and then assigns a rating that reflects its assessment of the issuer’s ability to make debt payments.

“Current Assets” shall mean all current assets of Parent and its Subsidiaries as of any date of determination calculated in accordance with GAAP, but excluding cash, Cash Equivalents and debts due from Affiliates.

“Current Liabilities” shall mean all liabilities of Parent and its Subsidiaries that should, in accordance with GAAP, be classified as current liabilities as of any date of determination, and in any event including all Indebtedness payable on demand or within one year from such date of determination without any option on the part of the obligor to extend or renew beyond such year and all accruals for federal or other taxes based on or measured by income and payable within such year, but excluding the current portion of long-term debt required to be paid within one year and the aggregate outstanding principal balance of the Revolving Loans and the Swingline Loans.

“Debtor Relief Laws” shall mean the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” shall mean any condition or event that, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

“Default Interest” shall have the meaning set forth in Section 2.13(c).

“Defaulting Lender” shall mean, subject to Section 2.26(c), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, any Issuing Bank, any Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within two (2) Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent or any Issuing Bank or Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon



receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.26(b)) upon delivery of written notice of such determination to the Borrower, each Issuing Bank, each Swingline Lender and each Lender.

“Disqualified Capital Stock” shall mean, with respect to any Person, any Capital Stock that by its terms (or by the terms of any other Capital Stock into which it is convertible or exchangeable) or otherwise (i) matures (other than as a result of a voluntary redemption or repurchase by the issuer of such Capital Stock) or is subject to mandatory redemption or repurchase (other than solely for Capital Stock that is not Disqualified Capital Stock) pursuant to a sinking fund obligation or otherwise; or (ii) is convertible into or exchangeable or exercisable for Indebtedness or any Disqualified Capital Stock at the option of the holder thereof; or (iii) may be required to be redeemed or repurchased at the option of the holder thereof (other than solely for Capital Stock that is not Disqualified Capital Stock), in whole or in part, in each case specified in (i), (ii) or (iii) above on or prior to the date that is ninety one days after the Maturity Date; or (d) provides for scheduled payments of dividends to be made in cash.

“Disqualified Institution” shall mean (a) any Disqualified Lender and (b) any Competitor.

“Disqualified Lender” shall mean each Person previously identified in writing to the Administrative Agent and set forth in that certain letter agreement dated as of the Restatement Date delivered by the Borrower to the Administrative Agent, and each of such Person’s Affiliates.

“Dollar(s)” and the sign “\$” shall mean lawful money of the United States.

“Domestic Subsidiary” shall mean each Subsidiary of Parent that is organized under the laws of the United States or any state or district thereof.

“EEA Financial Institution” shall mean (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” shall mean any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” shall mean any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Eligible Assignee” shall mean any Person that meets the requirements to be an assignee under Section 10.4 (subject to such consents, if any, as may be required under Section 10.4(b)(iii)).

“Environmental Laws” shall mean all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by or with any Governmental Authority relating in any way to the environment, preservation or reclamation of natural resources, the management, Release or threatened Release of any Hazardous Material or to health and safety matters.

“Environmental Liability” shall mean any liability, contingent or otherwise (including any liability for damages, costs of environmental investigation and remediation, costs of administrative oversight, fines, natural resource damages, penalties or indemnities), of Parent or any of its Subsidiaries directly or indirectly resulting from or based upon (i) any actual or alleged violation of any Environmental Law, (ii) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (iii) any actual or alleged exposure to any Hazardous Materials, (iv) the Release or threatened Release of

any Hazardous Materials or (v) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute and the regulations promulgated and rulings issued thereunder.

“ERISA Affiliate” shall mean any person that for purposes of Title I or Title IV of ERISA or Section 412 of the Code would be deemed at any relevant time to be a “single employer” or otherwise aggregated with Parent or any of its Subsidiaries under Section 414(b), (c), (m) or (o) of the Code or Section 4001 of ERISA.

“ERISA Event” shall mean (i) any “reportable event” as defined in Section 4043 of ERISA with respect to a Plan (other than an event as to which the PBGC has waived under subsection .22, .23, .25, .27 or .28 of PBGC Regulation Section 4043 the requirement of Section 4043(a) of ERISA that it be notified of such event); (ii) any failure to make a required contribution to any Plan that would result in the imposition of a lien or other encumbrance or the provision of security under Section 430 of the Code or Section 303 or 4068 of ERISA, or the arising of such a lien or encumbrance, there being or arising any “unpaid minimum required contribution” or “accumulated funding deficiency” (as defined or otherwise set forth in Section 4971 of the Code or Part 3 of Subtitle B of Title 1 of ERISA), whether or not waived, or any filing of any request for or receipt of a minimum funding waiver under Section 412 of the Code or Section 303 of ERISA with respect to any Plan or Multiemployer Plan, or that such filing may be made, or any determination that any Plan is, or is expected to be, in at-risk status under Title IV of ERISA; (iii) any incurrence by Parent, any of its Subsidiaries or any of their respective ERISA Affiliates of any liability under Title IV of ERISA with respect to any Plan or Multiemployer Plan (other than for premiums due and not delinquent under Section 4007 of ERISA); (iv) any institution of proceedings, or the occurrence of an event or condition which would reasonably be expected to constitute grounds for the institution of proceedings by the PBGC, under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan; (v) any incurrence by Parent, any of its Subsidiaries or any of their respective ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan, or the receipt by Parent, any of its Subsidiaries or any of their respective ERISA Affiliates of any notice that a Multiemployer Plan is in endangered or critical status under Section 305 of ERISA; (vi) any receipt by Parent, any of its Subsidiaries or any of their respective ERISA Affiliates of any notice, or any receipt by any Multiemployer Plan from Parent, any of its Subsidiaries or any of their respective ERISA Affiliates of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA; (vii) engaging in a non-exempt prohibited transaction within the meaning of Section 4975 of the Code or Section 406 of ERISA; or (viii) any filing of a notice of intent to terminate any Plan if such termination would require material additional contributions in order to be considered a standard termination within the meaning of Section 4041(b) of ERISA, any filing under Section 4041(c) of ERISA of a notice of intent to terminate any Plan, or the termination of any Plan under Section 4041(c) of ERISA.

“EU Bail-In Legislation Schedule” shall mean the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted LIBO Rate.

“Event of Default” shall have the meaning set forth in Section 8.1.

“Excess Cash Flow” shall mean, without duplication, with respect to any Fiscal Year of Parent and its Subsidiaries, Consolidated Net Income plus (a) depreciation, amortization, income taxes and Consolidated Interest Expense to the extent deducted in determining Consolidated Net Income, plus decreases or minus increases (as the case may be) in (b) Working Capital, minus (c) Unfinanced Cash Capital Expenditures during such Fiscal Year, minus (d) interest expense paid in cash and scheduled principal payments paid in cash in respect of Consolidated Total Funded Debt (excluding prepayments of Revolving Loans and Swingline Loans), minus (e) voluntary prepayments of any Incremental Term Loans pursuant hereto and, solely to the extent accompanied by a permanent reduction in the Aggregate Revolving Commitments in accordance with Section 2.8, voluntary prepayments of the Revolving Loans, plus (in the case of gains) or minus (in the case of losses) (f) extraordinary gains or losses which are cash items not included in the calculation of Consolidated Net Income, minus (g) income taxes paid in cash, except to the extent such income taxes were deducted from Excess Cash Flow for a prior fiscal period as a reserve, minus (h) Acquisitions, Restricted Payments, and Investments (other than an Investment in cash or Cash Equivalents), in each case, that are permitted hereunder and made in cash during such Fiscal Year by Parent and its Subsidiaries except to the extent that such Acquisitions, Restricted Payments, and Investments were financed with the proceeds of Indebtedness (other than Revolving Loans) or the proceeds of equity issuances.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended and in effect from time to time.

“Excluded Accounts” shall mean any deposit, commodities or securities account (a) that is used for payroll, payroll taxes and other employee wage and benefit payments; (b) that is a trust, fiduciary, escrow or tax payment account; (c) that is used solely for deposits expressly permitted under Section 7.2(m), (d) that is a deposit account subject to a zero balance cash sweep into a deposit account subject to a control agreement; or (e) any other accounts of the Loan Parties which do not at any time have cash, investment property, or other amounts, including Cash Equivalents, on deposit therein in excess of \$2,000,000, individually, or \$7,500,000 in the aggregate for all such accounts.

“Excluded Swap Obligation” shall mean, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act at the time the Guarantee of such Guarantor becomes effective with respect to such related Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

“Excluded Taxes” shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.25) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.20, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.20 and (d) any U.S. federal withholding Taxes imposed under FATCA.

“FATCA” shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

“Federal Funds Rate” shall mean, for any day, the rate *per annum* (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the weighted average of the rates on overnight Federal funds transactions with member banks of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the next succeeding Business Day or, if such rate is not so published for any Business Day, the Federal Funds Rate for such day shall be the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent.

“Fee Letter” shall mean that certain fee letter, dated as of November 1, 2017, executed by SunTrust Robinson Humphrey, Inc. and SunTrust Bank and accepted by the Borrower.

“Financial Officer” shall mean, with respect to any Person, the chief financial officer, chief accounting officer, treasurer, assistant treasurer, or controller of such Person.

“Fiscal Quarter” shall mean any fiscal quarter of Parent.

“Fiscal Year” shall mean any fiscal year of Parent.

“Foreign Lender” shall mean (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

“Foreign Person” shall mean any Person that is not a U.S. Person.

“Foreign Subsidiary” shall mean each Subsidiary of Parent that is organized under the laws of a jurisdiction other than one of the fifty states of the United States or the District of Columbia.

“GAAP” shall mean generally accepted accounting principles in the United States applied on a consistent basis and subject to the terms of Section 1.3.

“Governmental Authority” shall mean the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” of or by any Person (the “guarantor”) shall mean any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly and including any obligation, direct or indirect, of the guarantor (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (ii) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) as an account party in respect of any letter of credit or letter of guaranty issued in support of such Indebtedness or obligation; provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made or, if not so stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith. The term “Guarantee” used as a verb has a corresponding meaning.

“Guarantor” shall mean Parent and each of the Subsidiary Loan Parties.

“Guaranty and Security Agreement” shall mean the Amended and Restated Guaranty and Security Agreement, dated as of the Restatement Date and substantially in the form of Exhibit B, made by the Loan Parties in favor of the Administrative Agent for the benefit of the Secured Parties.

“Hazardous Materials” shall mean all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Hedging Obligations” of any Person shall mean any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired under (i) any and all Hedging Transactions, (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Hedging Transactions and (iii) any and all renewals, extensions and modifications of any Hedging Transactions and any and all substitutions for any Hedging Transactions.

“Hedge Termination Value” shall mean, in respect of any one or more Hedging Transactions, after taking into account the effect of any legally enforceable netting agreement relating to such Hedging Transactions, (a) for any date on or after the date such Hedging Transactions have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Hedging Transactions, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Hedging Transactions (which may include a Lender or any Affiliate of a Lender).

“Hedging Transaction” of any Person shall mean (a) any transaction (including an agreement with respect to any such transaction) now existing or hereafter entered into by such Person that is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap or option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, spot transaction, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Increasing Lender” shall have the meaning set forth in Section 2.23.

“Incremental Commitment” shall have the meaning set forth in Section 2.23.

“Incremental Term Loan” shall have the meaning set forth in Section 2.23.

“Indebtedness” of any Person shall mean, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person in respect of the deferred purchase price of property or services (other than (a) earnout obligations or similar deferred or contingent purchase price obligations and (b) trade payables incurred in the ordinary course of business; provided that, for purposes of Section 8.1(g), trade payables overdue by more than 120 days shall be included in this definition except to the extent that any of such trade payables are being disputed in good faith and by appropriate measures), (iv) earnout obligations or similar deferred or contingent purchase price obligations to the extent such obligations (a) are current obligations and (b) have become liabilities on the balance sheet of such Person in accordance with GAAP, (v) all obligations of such Person under any conditional sale or other title retention agreement(s) relating to property acquired by such Person, (vi) all Capital Lease Obligations of such Person, (vii) all obligations, contingent or otherwise, of such Person in respect of letters of credit, acceptances or similar extensions of credit, (viii) all Guarantees of such Person of the type of Indebtedness described in clauses (i) through (vii) above, (ix) all Indebtedness of a third party secured by any Lien on property owned by such Person, whether or not such Indebtedness has been assumed by such Person, (x) all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Capital Stock of such Person, (xi) all Off-Balance Sheet Liabilities and (xii) all Hedging Obligations. For purposes of determining the amount of attributed Indebtedness from Hedging Obligations, the “principal amount” of any Hedging Obligations at any time shall be the Hedge Termination Value of such Hedging Obligations. The Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer, except to the extent that the terms of such Indebtedness provide that such Person is not liable therefor. For the avoidance of doubt, the obligations of the Parent under the Permitted Warrant Transaction shall not constitute Indebtedness.

“Indemnified Taxes” shall mean (a) Taxes other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Information and Collateral Disclosure Certificate” shall have the meaning assigned to such term in the Guaranty and Security Agreement.

“Interest Period” shall mean with respect to any Eurodollar Borrowing, a period of one, two, three or six months, or to the extent agreed by each Lender of such Eurodollar Borrowing, twelve months; provided that:

(i) the initial Interest Period for such Borrowing shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing of another Type), and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(ii) if any Interest Period would otherwise end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day, unless such Business Day falls in another calendar month, in which case such Interest Period would end on the immediately preceding Business Day;

(iii) any Interest Period which begins on the last Business Day of a calendar month or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period shall end on the last Business Day of such calendar month;

(iv) no Interest Period may extend beyond the Maturity Date.

“Investments” shall have the meaning set forth in Section 7.4.

“IRS” shall mean the United States Internal Revenue Service.

“Issuing Bank” shall mean SunTrust Bank in its capacity as the issuer of Letters of Credit pursuant to Section 2.22.

“LC Commitment” shall mean that portion of the Aggregate Revolving Commitments that may be used by the Borrower for the issuance of Letters of Credit in an aggregate face amount not to exceed \$10,000,000.

“LC Disbursement” shall mean a payment made by the Issuing Bank pursuant to a Letter of Credit.

“LC Documents” shall mean all applications, agreements and instruments relating to the Letters of Credit but excluding the Letters of Credit.

“LC Exposure” shall mean, at any time, the sum of (i) the aggregate undrawn amount of all outstanding Letters of Credit at such time, plus (ii) the aggregate amount of all LC Disbursements that have not been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender shall be its Pro Rata Share of the total LC Exposure at such time.

“LCT Election” shall have the meaning given such term in Section 1.5(b).

“LCT Test Date” shall mean, with respect to a Limited Condition Transaction, the date of the definitive agreements for such Limited Condition Transaction.

“Lender-Related Hedge Provider” shall mean any Person that, at the time it enters into a Hedging Transaction with any Loan Party, (i) is a Lender or an Affiliate of a Lender and (ii) except when the Lender-Related Hedge Provider is SunTrust Bank or any of its Affiliates, has provided concurrent or subsequent written notice to the Administrative Agent which has been acknowledged by the Borrower of (x) the existence of such Hedging Transaction and (y) the methodology to be used by such parties in determining the obligations under such Hedging Transaction from time to time ( provided, however, Hedging Obligations shall be excluded from the application of proceeds described in Section 8.2 until the Administrative Agent has received the written notice thereof and such supporting documentation as described above from the Lender-Related Hedge Provider). In no event shall any Lender-Related Hedge Provider acting in such capacity be deemed a Lender for purposes hereof to the extent of and as to Hedging Obligations except that each reference to the term “Lender” in Article IX and Section 10.3(b) shall be deemed to include such Lender-Related Hedge Provider. In no event shall the approval of any such Person in its capacity as Lender-Related Hedge Provider be required in connection with the release or termination of any security interest or Lien of the Administrative Agent.

“Lenders” shall have the meaning set forth in the introductory paragraph hereof and shall include, where appropriate, the Swingline Lender, each Increasing Lender, and each Lender that joins this Agreement pursuant to Section 10.4 or Section 2.25 and each Additional Lender that joins this Agreement pursuant to Section 2.23.

“LendingTree Foundation” shall mean a non-profit organization established by Parent or any of its Subsidiaries for the purpose of serving charitable goals, and any successors thereto.

“Letter of Credit” shall mean any stand-by letter of credit issued pursuant to Section 2.22 by the Issuing Bank for the account of the Borrower pursuant to the LC Commitment.

“Liberty Successor” shall mean any Person that is a successor, assignee, or Affiliate of LIC, including any Person spun or otherwise separated out of LIC (or any similar successor or assignee of any such Liberty Successor); provided that (a) no Person or group (within the meaning of the Exchange Act and the rules of the Securities and Exchange Commission thereunder as in effect on the Restatement Date), other than the Permitted Holders (disregarding for this purpose clause (b) of the definition of such term), is the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act and the rules of the Securities and Exchange Commission thereunder as in effect on the Restatement Date), directly or indirectly, of more than 50% of the total voting power (with equivalent economic interests) represented by the issued and outstanding Capital Stock of such Liberty Successor, (b) such Liberty Successor is not a Sanctioned Person, (c) the transaction or transactions pursuant to which such Liberty Successor shall have become such a successor does not violate any Anti-Corruption Laws applicable to such Liberty Successor or any Sanctions applicable to such Liberty Successor, and (d) each of the Administrative Agent and each Lender shall have received all documentation and other information reasonably requested by it in writing that it reasonably determines is required by United States or foreign bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, with respect to such Liberty Successor.

“LIC” shall mean Liberty Interactive Corporation, a Delaware corporation.

“Lien” shall mean any mortgage, pledge, security interest, lien (statutory or otherwise), charge, encumbrance, hypothecation, assignment, deposit arrangement, or other arrangement having the practical effect of any of the foregoing or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having the same economic effect as any of the foregoing).

“Limited Condition Transaction” shall mean any Investment or Acquisition (including by way of merger, amalgamation, consolidation or other business combination or the acquisition of Equity Interest or otherwise) permitted by this Agreement that the Parent or any of its Subsidiaries is contractually committed to consummate (it being understood such commitment may be subject to conditions precedent, which conditions precedent may be amended, satisfied or waived in accordance with the terms of the applicable agreement) and the consummation of which is not conditioned on the availability of, or on obtaining, third party financing.

“Liquidity” shall mean, on any date of determination, the sum of (a) unrestricted cash held by the Loan Parties in Controlled Accounts subject to Account Control Agreements plus (b) the Aggregate Revolving Commitment Amount minus the aggregate Revolving Credit Exposure of all Revolving Lenders.

“Loan Documents” shall mean, collectively, this Agreement, the Collateral Documents, the LC Documents, the Fee Letter, all Notices of Borrowing, all Notices of Conversion/Continuation, all Compliance Certificates, any subordination agreement or intercreditor agreement entered into with the Administrative Agent or any Lender in connection with the Obligations, any promissory notes issued hereunder and any and all other instruments, agreements, documents and writings executed in connection with any of the foregoing.

“Loan Parties” shall mean the Borrower and each Guarantor.

“Loans” shall mean all Revolving Loans, Swingline Loans, and Incremental Term Loans (if any) in the aggregate or any of them, as the context shall require.

“Material Acquisition” shall mean any Acquisition by a Loan Party in which the total aggregate cash consideration to be paid (including the assumption of any Indebtedness) pursuant to such Acquisition is greater than or equal to \$125,000,000.

“Material Adverse Effect” shall mean, with respect to any event, act, condition or occurrence of whatever nature (including any adverse determination in any litigation, arbitration, or governmental investigation or proceeding), whether singularly or in conjunction with any other event or events, act or acts, condition or conditions, occurrence or occurrences whether or not related, resulting in a material adverse change in, or a material adverse effect on, (i) the business, operations, property, condition (financial or otherwise), liabilities (contingent or otherwise) of Parent and its Subsidiaries taken as a whole, (ii) the ability of the Loan Parties to perform any of their respective obligations under the Loan Documents, or (iii) the validity or enforceability of any of the Loan Documents or the rights and remedies of the Administrative Agent, the Issuing Bank, the Swingline Lender or the Lenders under any of the Loan Documents.

“Material Indebtedness” shall mean any Indebtedness (other than the Loans and the Letters of Credit) of Parent or any of its Subsidiaries individually or in an aggregate committed or outstanding principal amount exceeding the Threshold Amount.

“Material Subsidiary” shall mean, at any time, each Subsidiary other than (a) the Borrower and (b) any other Subsidiary that has been designated by Parent in a written notice to the Administrative Agent as not being a Material Subsidiary; provided, that (i) all Subsidiaries designated by Parent as not being Material Subsidiaries (taken together with their own subsidiaries) shall not represent more than 10% for any such Subsidiary, or more than 10% in the aggregate for all such Subsidiaries, of either (A) Consolidated Total Assets or (B) Consolidated Revenues of Parent and the Subsidiaries as of the end of or for the period of four consecutive Fiscal Quarters of Parent most recently ended prior to such time and (ii) no Subsidiary designated by Parent as not being a Material Subsidiary shall own Equity Interests or Indebtedness (other than de minimis Indebtedness) of any Material Subsidiary. For the avoidance of doubt, as of the Restatement Date, none of the Subsidiaries listed on Schedule 1.1(a) shall be deemed to be a Material Subsidiary.

“Maturity Date” shall mean the Revolving Commitment Termination Date.

“Maximum Incremental Commitment Amount” shall mean an aggregate amount equal to \$100,000,000 minus the aggregate amount of any and all prior Incremental Commitments established pursuant to Section 2.23 plus an unlimited amount, so long as the Senior Secured Net Leverage Ratio does not exceed 2.50 to 1.00 as of the last day of the most recently ended Fiscal Quarter for which financial statements are required to have been delivered pursuant to Section 5.1(a) or (b), calculated on a Pro Forma Basis and as if all such Incremental Term Loans had been made and all such Incremental Revolving Commitments had been established (and fully funded) as of the first day of the relevant period for testing compliance (but calculated without including the cash proceeds of any such Incremental Term Loans or Incremental Revolving Commitments in the amount of unrestricted cash and Cash Equivalents to be netted in the calculation of Consolidated Total Net Leverage Ratio); provided, that, in the case of any Incremental Term Facility to finance a Limited Condition Transaction, the date of determination of the Senior Secured Net Leverage Ratio shall, at the option of the Borrower, be the LCT Test Date for such Limited Condition Transaction.

“Moody’s” shall mean Moody’s Investors Service, Inc.

“Multiemployer Plan” shall mean any “multiemployer plan” as defined in Section 4001(a)(3) of ERISA, which is contributed to by (or to which there is or may be an obligation to contribute of) Parent, any of its Subsidiaries or an ERISA Affiliate, and each such plan for the five-year period immediately following the latest date on which Parent, any of its Subsidiaries or an ERISA Affiliate contributed to or had an obligation to contribute to such plan.

“Non-Defaulting Lender” shall mean, at any time, a Lender that is not a Defaulting Lender.

“Non-U.S. Plan” shall mean any plan, fund (including, without limitation, any superannuation fund) or other similar program established, contributed to (regardless of whether through direct contributions or through employee withholding) or maintained outside the United States by Parent or one or more of its Subsidiaries primarily for the benefit of employees of Parent or such Subsidiaries residing outside the United States, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement, or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code.

“Notices of Borrowing” shall mean, collectively, the Notices of Revolving Borrowing and the Notices of Swingline Borrowing.

“Notice of Conversion/Continuation” shall have the meaning set forth in Section 2.7(b).

“Notice of Revolving Borrowing” shall have the meaning set forth in Section 2.3.

“Notice of Swingline Borrowing” shall have the meaning set forth in Section 2.4.

“Obligations” shall mean (a) all amounts owing by the Loan Parties to the Administrative Agent, the Issuing Bank, any Lender (including the Swingline Lender) or the Sole Arranger pursuant to or in connection with this Agreement or any other Loan Document or otherwise with respect to any Loan or Letter of Credit including, without limitation, all principal, interest (including any interest accruing after the filing of any petition in bankruptcy or the commencement of any insolvency, reorganization or like proceeding relating to Parent or the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), reimbursement obligations, fees, expenses, indemnification and reimbursement payments, costs and expenses (including all fees and expenses of counsel to the Administrative Agent, the Issuing Bank and any Lender (including the Swingline Lender) incurred pursuant to this Agreement or any other Loan Document), whether direct or indirect, absolute or contingent, liquidated or unliquidated, now existing or hereafter arising hereunder or thereunder, (b) all Hedging Obligations owed by any Loan Party to any Lender-Related Hedge Provider, and (c) all Bank Product Obligations, together with all renewals, extensions, modifications or refinancings of any of the foregoing; provided, however, that with respect to any Guarantor, the Obligations shall not include any Excluded Swap Obligations.

“OFAC” shall mean the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“Off-Balance Sheet Liabilities” of any Person shall mean (i) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (ii) any liability of such Person under any sale and leaseback transactions that do not create a liability on the balance sheet of such Person, (iii) any Synthetic Lease Obligation or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person.

“OSHA” shall mean the Occupational Safety and Health Act of 1970, as amended from time to time, and any successor statute.

“Other Connection Taxes” shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.25).

“Parent” shall have the meaning set forth in the introductory paragraph hereof.

“Parent Company” shall mean, with respect to a Lender, the “bank holding company” as defined in Regulation Y, if any, of such Lender, and/or any Person owning, beneficially or of record, directly or indirectly, a majority of the shares of such Lender.

“Participant” shall have the meaning set forth in Section 10.4(d).



“Participant Register” shall have the meaning set forth in Section 10.4(d).

“Patent” shall have the meaning assigned to such term in the Guaranty and Security Agreement.

“Patent Security Agreement” shall mean any Patent Security Agreement executed by a Loan Party owning Patents or licenses of Patents in favor of the Administrative Agent for the benefit of the Secured Parties, both on the Closing Date and thereafter.

“Patriot Act” shall mean the USA PATRIOT Improvement and Reauthorization Act of 2005 (Pub. L. 109-177 (signed into law March 9, 2006)), as amended and in effect from time to time.

“Payment Office” shall mean the office of the Administrative Agent located at 303 Peachtree Street, N.E., Atlanta, Georgia 30308, or such other location as to which the Administrative Agent shall have given written notice to the Borrower and the Lenders.

“PBGC” shall mean the U.S. Pension Benefit Guaranty Corporation referred to and defined in ERISA, and any successor entity performing similar functions.

“Permitted Acquisition” shall mean (a) any Acquisition by a Loan Party with the prior written consent of the Required Lenders or (b) any Acquisition by a Loan Party that occurs when the following conditions have been satisfied:

(i) before and after giving effect to such Acquisition, no Default or Event of Default has occurred and is continuing or would result therefrom, and all representations and warranties of each Loan Party set forth in the Loan Documents shall be and remain true and correct in all material respects;

(ii) before and after giving effect to such Acquisition, the Consolidated Total Net Leverage Ratio is less than the applicable Consolidated Total Net Leverage Ratio covenant level set forth in Article VI ( provided that, before and after giving effect to a Material Acquisition, the Consolidated Total Net Leverage Ratio may be 0.50 greater than the otherwise applicable covenant level set forth in Article VI ), calculated on a Pro Forma Basis as of the last day of the most recently ended Fiscal Quarter for which financial statements are required to have been delivered pursuant to Section 5.1(a) or (b) (measuring Consolidated Total Funded Debt as of the date of such Acquisition);

(iii) at least 5 days prior (or such shorter period of time as the Administrative Agent may agree) to the date of the consummation of such Acquisition, Parent shall have delivered to the Administrative Agent notice of such Acquisition, together with any information reasonably requested by the Administrative Agent;

(iv) such Acquisition is consensual and approved by the board of directors (or the equivalent thereof) of the Person whose stock or assets are being acquired;

(v) the Person or assets being acquired is in the same type of business conducted by Parent and its Subsidiaries on the date hereof or any business reasonably related thereto;

(vi) such Acquisition is consummated in compliance with all Requirements of Law, and all consents and approvals from any Governmental Authority or other Person required in connection with such Acquisition have been obtained; and

(vii) Parent has delivered to the Administrative Agent a certificate executed by a Responsible Officer certifying that each of the conditions set forth above has been satisfied, including, without limitation, calculations evidencing the condition in subclause (ii) above.

“Permitted Bond Hedge Transaction” shall mean any call or capped call option (or substantively equivalent derivative transaction) relating to the Parent’s common stock (or other securities or property following a merger event, reclassification or other change of the common stock of the Parent) purchased by the Parent in connection with the issuance of the Specified Convertible Indebtedness and settled in common stock of the Parent (or such other securities or property), cash or a combination thereof (such amount of cash determined by reference to the price of the Parent’s common stock or such other securities or property), and cash in lieu of fractional shares of common stock of the Parent.

“Permitted Capital Stock Issuance” shall mean any sale or issuance of any Qualified Capital Stock of Parent to the extent permitted hereunder.

“Permitted Encumbrances” shall mean:

- (i) Liens imposed by law for taxes not yet due or which are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves are being maintained in accordance with GAAP;
- (ii) statutory Liens of landlords, carriers, warehousemen, mechanics, materialmen and other Liens imposed by law in the ordinary course of business for amounts not yet due or which are being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves are being maintained in accordance with GAAP;
- (iii) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations;
- (iv) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;
- (v) judgment and attachment liens not giving rise to an Event of Default or Liens created by or existing from any litigation or legal proceeding that are currently being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves are being maintained in accordance with GAAP;
- (vi) customary rights of set-off, revocation, refund or chargeback under deposit agreements or under the Uniform Commercial Code or common law of banks or other financial institutions where Parent or any of its Subsidiaries maintains deposits (other than deposits intended as cash collateral) in the ordinary course of business;
- (vii) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of Parent and its Subsidiaries taken as a whole; and
- (viii) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by Parent or any Subsidiary in the ordinary course of business of such Person.

provided that the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness.

“Permitted Holder” shall mean any one or more of (a) LIC, (b) a Liberty Successor, (c) Douglas Lebda, (d) John C. Malone or Gregory B. Maffei, (e) each of the respective Affiliated Persons of the Persons referred to in clause (b) or (c), and (f) any Person a majority of the aggregate voting power of all the outstanding classes or series of the equity securities of which are beneficially owned by any one or more of the Persons referred to in clauses (a), (b), (c) or (d). For purposes of this definition, “Person” has the meaning given to it for purposes of Section 13(d) of the Exchange Act or any successor provision.

“Permitted Investments” shall mean:

- (i) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States), in each case maturing within one year from the date of acquisition thereof;
- (ii) commercial paper having a rating of at least A-1 or the equivalent thereof by Standard & Poor’s Rating Service or at least P-1 or the equivalent thereof by Moody’s Investors Service Inc., at the time of acquisition thereof, of S&P or Moody’s and in either case maturing within one year from the date of acquisition thereof;
- (iii) certificates of deposit, bankers’ acceptances and time deposits maturing within 365 days of the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States or any state thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000;

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- (iv) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (i) above and entered into with a financial institution satisfying the criteria described in clause (iii) above; and
- (v) mutual funds investing solely in any one or more of the Permitted Investments described in clauses (i) through (iv) above.

“ Permitted Specified Real Estate Finance Transaction ” shall mean any Specified Real Estate Finance Transaction that satisfies the following conditions:

(i) the principal amount of Indebtedness of the Parent or any of its Subsidiaries incurred in connection with any Specified Real Estate Finance Transaction, when combined with all other Indebtedness incurred under any other Specified Real Estate Finance Transaction, shall not exceed \$65,000,000 in the aggregate, of which an aggregate principal amount of no more than (a) \$20,000,000 for all such Specified Real Estate Finance Transactions shall be used to finance all or a portion of the purchase price of the Specified Real Estate and (b) \$45,000,000 for all such Specified Real Estate Finance Transactions shall be used to finance post-acquisition improvements to the Specified Real Estate, related equipment, and Hedging Obligations;

(ii) the Liens granted by Parent or any of its Subsidiaries in connection with the Specified Real Estate Finance Transaction shall (a) secure only the Indebtedness described in the foregoing clause (i), including, without limitation, all principal, interest, indemnity, cost and expense reimbursements, and any other payment obligations owed in connection therewith and (b) not extend to any assets other than the Specified Real Estate and related improvements, easements, fixtures, leases and rents, other customary related assets, and proceeds thereof;

(iii) before and after giving effect to the Specified Real Estate Finance Transaction, (a) no Default or Event of Default shall exist and (b) all representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties shall be true and correct in all respects);

(iv) after giving effect to the Specified Real Estate Finance Transaction (including, without limitation, all Indebtedness incurred or to be incurred in connection therewith), the Parent shall be in compliance with the financial covenant set forth in Article VI hereof, calculated on a Pro Forma Basis as of the last day of the most recently ended Fiscal Quarter for which financial statements are required to have been delivered pursuant to Sections 5.1(a) or (b) hereof;

(v) at least three (3) business days (or such shorter timeframe as may be agreed in writing by the Administrative Agent) prior to the date of the consummation of the Specified Real Estate Finance Transaction, the Parent shall have delivered to the Administrative Agent draft copies of all financing agreements, construction loan agreements, mortgages or deeds of trust, and all related material transaction documents for the Specified Real Estate Finance Transaction, together with all schedules thereto (all of which shall be in form and substance reasonably satisfactory to the Administrative Agent), followed by any materially different drafts of such documents promptly as the same are available to the Borrower and fully executed copies thereof within five (5) Business Days (or such other timeframe as may be agreed in writing by the Administrative Agent) after the consummation of the Specified Real Estate Finance Transaction;

(vi) the Parent shall have delivered to the Administrative Agent a certificate, which shall be in form and substance reasonably satisfactory to the Administrative Agent, executed by a Responsible Officer certifying that each of the conditions set forth above has been satisfied, including, without limitation, calculations evidencing the condition in clause (iv) above.

“ Permitted Tax Distributions ” shall mean tax distributions by a Loan Party (so long as such Loan Party is treated as a pass-through or disregarded entity) to its members (“ Tax Distributions ”) (i) on a quarterly basis, *pro rata* in proportion to their respective percentage interests in such Loan Party (except as otherwise required below), so long as the aggregate amount of such Tax Distributions does not exceed, quarterly, an amount equal to such Loan Party’s good faith estimate of the Applicable Tax (as hereinafter defined) with respect to such taxable year, less the amount paid, if any, with respect to prior quarters of such taxable year; and (ii) on an annual basis after the end of such Loan Party’s taxable year, to the extent necessary so that the sum of the amounts so distributed under this clause (ii) and the amounts distributed under clause (i) above equals the minimum aggregate amount (the “ Applicable Tax ”) that must be distributed to provide each member with an amount that equals the product of (1) the

sum of all items of taxable income or gain allocated to such member for such taxable year less all items of deduction, loss and the loss equivalent of tax credits allocated to such member (or, to the extent applicable, its predecessors in interest) for such taxable year and all prior taxable years to the extent not previously offset by taxable income or gain allocated to such member (or, to the extent applicable, its predecessors in interest) and (2) a percentage equal to  $[(100\%-B) \times A] + B$ , where “A” is the highest marginal federal income tax rate applicable to a corporation or individual (as appropriate) for such preceding taxable year and “B”, with respect to each member, is the highest marginal state income tax rate applicable to such member for such preceding taxable year; provided that if the amount distributed to the members of such Loan Party pursuant to clause (i) for the taxable year exceeds the Applicable Tax for such taxable year (including where the amounts included in taxable income of such Loan Party for such taxable year are decreased as a result of an audit, amended return or otherwise), then such excess shall be credited against the next Tax Distributions permitted to be made with respect to subsequent taxable years.

“Permitted Third Party Bank” shall mean any bank or other financial institution with whom any Loan Party maintains a Controlled Account and with whom an Account Control Agreement has been executed.

“Permitted Warrant Transaction” shall mean any call option, warrant or right to purchase (or substantively equivalent derivative transaction) relating to the Parent’s common stock (or other securities or property following a merger event, reclassification or other change of the common stock of the Parent) sold by the Parent substantially concurrently with any purchase by the Parent of the Permitted Bond Hedge Transaction and settled in common stock of the Parent (or such other securities or property), cash or a combination thereof (such amount of cash determined by reference to the price of the Parent’s common stock or such other securities or property), and cash in lieu of fractional shares of common stock of the Parent.

“Person” shall mean any individual, partnership, firm, corporation, association, joint venture, limited liability company, trust or other entity, or any Governmental Authority.

“Plan” shall mean any “employee benefit plan” as defined in Section 3 of ERISA (other than a Multiemployer Plan) maintained or contributed to by Parent, the Borrower or any ERISA Affiliate or to which Parent, the Borrower or any ERISA Affiliate has or may have an obligation to contribute, and each such plan that is subject to Title IV of ERISA for the five-year period immediately following the latest date on which Parent, the Borrower or any ERISA Affiliate maintained, contributed to or had an obligation to contribute to (or is deemed under Section 4069 of ERISA to have maintained or contributed to or to have had an obligation to contribute to, or otherwise to have liability with respect to) such plan.

“Platform” shall mean Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

“Pro Forma Basis” shall mean, (i) with respect to any Person, business, property or asset acquired in a Permitted Acquisition, the inclusion as “Consolidated EBITDA” of the EBITDA (i.e. net income before interest, taxes, depreciation and amortization) for such Person, business, property or asset as if such Acquisition had been consummated on the first day of the applicable period, based on historical results accounted for in accordance with GAAP, and may also reflect (a) any projected synergies or similar benefits (net of continuing associated expenses) expected to be realized as a result of such Acquisition to the extent such synergies or similar benefits would be permitted to be reflected in financial statements prepared in compliance with Article 11 of Regulation S-X under the Securities Act and (b) any other demonstrable cost-savings and other adjustments (net of continuing associated expenses) not included in the foregoing clause (a) (including, without limitation, pro forma “run rate” cost savings, operating expense reductions and restructurings) that are reasonably identifiable and projected by Parent in good faith to result from actions that have been taken or with respect to which substantial steps have been taken or are expected to be taken (in the good faith determination of Parent) within 12 months after such Acquisition is consummated and which are so set forth in a certificate of a Responsible Officer of Parent; provided that (1) projected (and not yet realized) cost-savings and other adjustments may no longer be added pursuant to this paragraph after 18 months after the consummation of the applicable Acquisition, (2) all adjustments pursuant to this definition will be without duplication of any amounts that are otherwise included or added back in computing Consolidated EBITDA in accordance with the definition of such term, (3) the aggregate additions to Consolidated EBITDA, for any period being tested, pursuant to clause (b) above (the “Pro Forma Capped Adjustments”), together with the aggregate amount of all other Capped Adjustments for such period, shall not exceed 20% of Consolidated EBITDA for such period determined prior to giving effect to any addback for any Capped Adjustments and (4) if any cost savings or other adjustments included in any pro forma calculations based on the anticipation that such cost savings or other adjustments will be achieved within such 18-month period shall at any time cease to be reasonably anticipated by Parent to be so achieved, then, on and after such time, pro forma calculations required to be made hereunder shall not reflect such cost savings or other adjustments, (ii) with respect to any Person, business, property or asset sold, transferred or otherwise disposed of, the exclusion from “Consolidated EBITDA” of the EBITDA (i.e. net income before interest, taxes, depreciation and amortization) for such Person, business, property or asset so disposed of during such period as if such disposition had been consummated on the first day of the applicable period, in accordance with GAAP, and (iii) with respect to any Indebtedness incurred or Restricted Payment or Investment made, that such Indebtedness had been incurred or such Restricted Payment or Investment had been made (and

all Indebtedness in connection with such Restricted Payment or Investment had been incurred), as applicable, on the first day of the applicable period.

“Pro Forma Capped Adjustments” has the meaning assigned to such term in the definition of “Pro Forma Basis”.

“Pro Rata Share” shall mean (i) with respect to any Class of Commitment or Loan of any Lender at any time, a percentage, the numerator of which shall be such Lender’s Commitment of such Class (or if such Commitment has been terminated or expired or the Loans have been declared to be due and payable, such Lender’s Revolving Credit Exposure or Incremental Term Loan, as applicable), and the denominator of which shall be the sum of all Commitments of such Class of all Lenders (or if such Commitments have been terminated or expired or the Loans have been declared to be due and payable, all Revolving Credit Exposure or Incremental Term Loans, as applicable, of all Lenders) and (ii) with respect to all Classes of Commitments and Loans of any Lender at any time, the numerator of which shall be the sum of such Lender’s Revolving Commitment (or if such Revolving Commitment has been terminated or expired or the Loans have been declared to be due and payable, such Lender’s Revolving Credit Exposure) and Incremental Term Loans and the denominator of which shall be the sum of all Lenders’ Revolving Commitments (or if such Revolving Commitments have been terminated or expired or the Loans have been declared to be due and payable, all Revolving Credit Exposure of all Lenders funded under such Commitments) and Incremental Term Loans.

“PTE” shall mean a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Qualified Capital Stock” shall mean any Capital Stock that is not Disqualified Capital Stock.

“Real Estate” shall mean all real property owned or leased by Parent or any of its Subsidiaries.

“Recipient” shall mean, as applicable, (a) the Administrative Agent, (b) any Lender and (c) the Issuing Bank.

“Regulation D” shall mean Regulation D of the Board of Governors of the Federal Reserve System, as the same may be in effect from time to time, and any successor regulations.

“Regulation T” shall mean Regulation T of the Board of Governors of the Federal Reserve System, as the same may be in effect from time to time, and any successor regulations.

“Regulation U” shall mean Regulation U of the Board of Governors of the Federal Reserve System, as the same may be in effect from time to time, and any successor regulations.

“Regulation X” shall mean Regulation X of the Board of Governors of the Federal Reserve System, as the same may be in effect from time to time, and any successor regulations.

“Regulation Y” shall mean Regulation Y of the Board of Governors of the Federal Reserve System, as the same may be in effect from time to time, and any successor regulations.

“Related Parties” shall mean, with respect to any specified Person, such Person’s Affiliates and the respective managers, administrators, trustees, partners, directors, officers, employees, agents, advisors, counsel, consultants or other representatives of such Person and such Person’s Affiliates.

“Release” shall mean any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or within any building, structure, facility or fixture.

“Required Lenders” shall mean, at any time, Lenders holding more than 50% of the aggregate outstanding Revolving Commitments and Incremental Term Loans at such time or, if the Lenders have no Commitments outstanding, then Lenders holding more than 50% of the aggregate outstanding Revolving Credit Exposure and Incremental Term Loans of the Lenders at such time; provided, that to the extent that any Lender is a Defaulting Lender, such Defaulting Lender and all of its Revolving Commitments, Revolving Credit Exposure and Incremental Term Loans shall be excluded for purposes of determining Required Lenders.

“Required Revolving Lenders” shall mean, at any time, Lenders holding more than 50% of the aggregate outstanding Revolving Commitments at such time or, if the Lenders have no Revolving Commitments outstanding, then Lenders holding more than 50% of the aggregate Revolving Credit Exposure; provided that to the extent that any Lender is a Defaulting

Lender, such Defaulting Lender and all of its Revolving Commitments and Revolving Credit Exposure shall be excluded for purposes of determining Required Revolving Lenders.

“Requirement of Law” for any Person shall mean the articles or certificate of incorporation, bylaws, partnership certificate and agreement, or limited liability company certificate of organization and agreement, as the case may be, and other organizational and governing documents of such Person, and any law, treaty, rule or regulation, or determination of a Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer” shall mean (x) with respect to certifying compliance with the financial covenant set forth in Article VI, the chief financial officer or the treasurer of Parent and (y) with respect to all other provisions, any of the president, the chief executive officer, the chief operating officer, the chief financial officer, the treasurer or a vice president of Parent or such other representative of Parent as may be designated in writing by any one of the foregoing with the consent of the Administrative Agent.

“Restatement Date” shall mean the date on which the conditions precedent set forth in Section 3.1 and Section 3.2 have been satisfied or waived in accordance with Section 10.2.

“Restricted Payment” shall mean, for any Person, any dividend or distribution on any class of its Capital Stock, or any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, retirement, defeasance or other acquisition of any shares of its Capital Stock, any Indebtedness subordinated to the Obligations or any Guarantee thereof or any options, warrants or other rights to purchase such Capital Stock or such Indebtedness, whether now or hereafter outstanding, any management or similar fees, or any payments in cash (including, without limitation, any premiums paid) in respect of the Permitted Bond Hedge Transaction or the Permitted Warrant Transaction.

“Revolving Commitment” shall mean, with respect to each Lender, the commitment of such Lender to make Revolving Loans to the Borrower and to acquire participations in Letters of Credit and Swingline Loans in an aggregate principal amount not exceeding the amount set forth with respect to such Lender on Schedule II, as such schedule may be amended pursuant to Section 2.23, or, in the case of a Person becoming a Lender after the Restatement Date, the amount of the assigned “Revolving Commitment” as provided in the Assignment and Assumption executed by such Person as an assignee, or the joinder executed by such Person, in each case as such commitment may subsequently be increased or decreased pursuant to the terms hereof.

“Revolving Commitment Termination Date” shall mean the earliest of (i) November 21, 2022, (ii) the date on which the Revolving Commitments are terminated pursuant to Section 2.8 and (iii) the date on which all amounts outstanding under this Agreement have been declared or have automatically become due and payable (whether by acceleration or otherwise).

“Revolving Credit Exposure” shall mean, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Revolving Loans, LC Exposure and Swingline Exposure.

“Revolving Loan” shall mean a loan made by a Lender (other than the Swingline Lender) to the Borrower under its Revolving Commitment, which may either be a Base Rate Loan or a Eurodollar Loan.

“S&P” shall mean Standard & Poor’s, a Standard & Poor’s Financial Services LLC business.

“Sale/Leaseback Transaction” shall have the meaning set forth in Section 7.9.

“Sanctioned Country” shall mean, at any time, a country, region or territory that is, or whose government is, the subject or target of any Sanctions.

“Sanctioned Person” shall mean, at any time, (a) any Person that is the subject or target of any Sanctions, (b) any Person located, organized, operating or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person.

“Sanctions” shall mean economic or financial sanctions or trade embargoes administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom or (c) any other relevant sanctions authority.

“Secured Parties” shall mean the Administrative Agent, the Lenders, the Issuing Bank, the Lender-Related Hedge Providers and the Bank Product Providers.

“Senior Secured Net Leverage Ratio” shall mean, as of any date, the ratio of (a) the sum of (i) Consolidated Senior Secured Debt as of such date minus (ii) an aggregate amount of Parent and its Subsidiaries’ unrestricted cash and Cash Equivalents located in the United States not to exceed \$50,000,000 (in each case, that are free and clear of all Liens (other than Liens securing Obligations)) as of such date to (b) Consolidated EBITDA for the four consecutive Fiscal Quarters ending on such date.

“Sole Arranger” shall mean SunTrust Robinson Humphrey, Inc., in its capacity as left lead arranger in connection with this Agreement.

“Solvent” shall mean, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including subordinated and contingent liabilities, of such Person; (b) the present fair saleable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts and liabilities, including subordinated and contingent liabilities as they become absolute and matured; (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature; and (d) such Person is not engaged in a business or transaction, and is not about to engage in a business or transaction, for which such Person’s property would constitute an unreasonably small capital. The amount of contingent liabilities (such as litigation, guaranties and pension plan liabilities) at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, represents the amount that would reasonably be expected to become an actual or matured liability.

“Specified Cash Contribution” shall mean capital contributions to Parent made in cash or the net cash proceeds from Permitted Capital Stock Issuances actually received by Parent.

“Specified Cash Contribution Amount” shall mean the aggregate amount of Specified Cash Contributions made after the Restatement Date.

“Specified Convertible Indebtedness” shall mean the senior, unsecured Indebtedness of the Parent, expected to be issued by the Parent in the second calendar quarter of 2017 in an aggregate amount not to exceed \$300,000,000 (inclusive of any additional Indebtedness issued by the Parent pursuant to any option to purchase any additional Indebtedness granted to the initial purchasers of such Indebtedness) that is convertible into shares of common stock of the Parent (or other securities or property following a merger event, reclassification or other change of the common stock of the Parent), cash or a combination thereof (such amount of cash determined by reference to the price of the Parent’s common stock or such other securities or property), and cash in lieu of fractional shares of common stock of the Parent.

“Specified Real Estate” shall mean certain office buildings located at 2100 and 2115 Rexford Road, Charlotte, NC, which were purchased by Rexford Office Holdings, LLC, a Subsidiary of the Borrower, on or about December 28, 2016, and which are intended to be used as office space by the Parent and its Subsidiaries.

“Specified Real Estate Finance Transaction” shall mean one or more secured real estate financing facilities separate from this Agreement and the Obligations made for the purpose of financing or refinancing the Specified Real Estate.

“Subsidiary” shall mean, with respect to any Person (the “parent”) at any date, any corporation, partnership, joint venture, limited liability company, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, partnership, joint venture, limited liability company, association or other entity (i) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned or held, or (ii) that is, as of such date, otherwise controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless otherwise indicated, all references to “Subsidiary” hereunder shall mean a Subsidiary of Parent.

“Subsidiary Loan Party” shall mean any Domestic Subsidiary of Parent that executes or becomes a party to the Guaranty and Security Agreement. As of the Restatement Date, the Subsidiary Loan Parties are set forth on Schedule 1.1(b).

“Swap Obligation” shall mean, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Swingline Commitment” shall mean the commitment of the Swingline Lender to make Swingline Loans in an aggregate principal amount at any time outstanding not to exceed \$10,000,000.

“Swingline Exposure” shall mean, with respect to each Lender, the principal amount of the Swingline Loans in which such Lender is legally obligated either to make a Base Rate Loan or to purchase a participation in accordance with Section 2.4, which shall equal such Lender’s Pro Rata Share of all outstanding Swingline Loans.

“Swingline Lender” shall mean SunTrust Bank.

“Swingline Loan” shall mean a loan made to the Borrower by the Swingline Lender under the Swingline Commitment.

“Synthetic Lease” shall mean a lease transaction under which the parties intend that (i) the lease will be treated as an “operating lease” by the lessee pursuant to Accounting Standards Codification Sections 840-10 and 840-20, as amended, and (ii) the lessee will be entitled to various tax and other benefits ordinarily available to owners (as opposed to lessees) of like property.

“Synthetic Lease Obligations” shall mean, with respect to any Person, the sum of (i) all remaining rental obligations of such Person as lessee under Synthetic Leases which are attributable to principal and, without duplication, (ii) all rental and purchase price payment obligations of such Person under such Synthetic Leases assuming such Person exercises the option to purchase the lease property at the end of the lease term.

“Taxes” shall mean any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Threshold Amount” shall mean \$20,000,000.

“Trademark” shall have the meaning assigned to such term in the Guaranty and Security Agreement.

“Trademark Security Agreement” shall mean any Trademark Security Agreement executed by a Loan Party owning registered Trademarks or applications for Trademarks in favor of the Administrative Agent for the benefit of the Secured Parties, both on the Closing Date and thereafter.

“Trading with the Enemy Act” shall mean the Trading with the Enemy Act of the United States of America (50 U.S.C. App. §§ 1 et seq.), as amended and in effect from time to time.

“Type”, when used in reference to a Loan or a Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Base Rate.

“Unfinanced Cash Capital Expenditures” shall mean, for any period, the amount of Capital Expenditures made by Parent and its Subsidiaries during such period in cash, but excluding any such Capital Expenditures financed with Indebtedness permitted under Section 7.1(c).

“Unfunded Pension Liability” of any Plan shall mean the amount, if any, by which the value of the accumulated plan benefits under the Plan, determined on a plan termination basis in accordance with actuarial assumptions at such time consistent with those prescribed by the PBGC for purposes of Section 4044 of ERISA, exceeds the fair market value of all Plan assets allocable to such liabilities under Title IV of ERISA (excluding any accrued but unpaid contributions).

“Uniform Commercial Code” or “UCC” shall mean the Uniform Commercial Code as in effect from time to time in the State of New York.

“United States” or “U.S.” shall mean the United States of America.

“U.S. Borrower” shall mean any Borrower that is a U.S. Person.

“U.S. Person” shall mean any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” shall have the meaning set forth in Section 2.20(e)(ii).

“Withdrawal Liability” shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.



“Withholding Agent” shall mean Parent, the Borrower, any other Loan Party or the Administrative Agent, as applicable.

“Working Capital” shall mean: for each Fiscal Year, the Current Assets less the Current Liabilities on December 31 of such Fiscal Year compared to the Current Assets less the Current Liabilities on December 31 of the immediately prior Fiscal Year.

“Write-Down and Conversion Powers” shall mean, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

**Section 1.2** Classifications of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g. “Revolving Loan” or “Incremental Term Loan”) or by Type (e.g. “Eurodollar Loan” or “Base Rate Loan”) or by Class and Type (e.g. “Revolving Eurodollar Loan”). Borrowings also may be classified and referred to by Class (e.g. “Revolving Borrowing”) or by Type (e.g. “Eurodollar Borrowing”) or by Class and Type (e.g. “Revolving Eurodollar Borrowing”).

**Section 1.3** Accounting Terms and Determination. Unless otherwise defined or specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, in accordance with GAAP as in effect from time to time, applied on a basis consistent with the most recent audited consolidated financial statement of Parent delivered pursuant to Section 5.1(a); provided that if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Article VI to eliminate the effect of any change in GAAP on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Article VI for such purpose), then the Borrower’s compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner reasonably satisfactory to the Borrower and the Required Lenders and the Administrative Agent, the Lenders and the Borrower shall negotiate in good faith to amend such covenant to preserve the original intent thereof in light of such change in GAAP. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Accounting Standards Codification Section 825-10 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of any Loan Party or any Subsidiary of any Loan Party at “fair value”, as defined therein.

**Section 1.4** Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the word “to” means “to but excluding”. Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as it was originally executed or as it may from time to time be amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (ii) any reference herein to any Person shall be construed to include such Person’s successors and permitted assigns, (iii) the words “hereof”, “herein” and “hereunder” and words of similar import shall be construed to refer to this Agreement as a whole and not to any particular provision hereof, (iv) all references to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles, Sections, Exhibits and Schedules to this Agreement and (v) all references to a specific time shall be construed to refer to the time in the city and state of the Administrative Agent’s principal office, unless otherwise indicated.

**Section 1.5** Limited Condition Transactions.

(a) In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of determining compliance with any provision of this Agreement which requires that no Default or Event of Default has occurred, is continuing or would result from any such action, as applicable, such condition shall, at the option of the Borrower, be deemed satisfied, so long as no Event of Default under Sections 8.1(h) or 8.1(i) exists or would result from such Limited Condition Transaction if the Limited Condition Transaction and other pro forma events in connection therewith were consummated on the LCT Test Date. Notwithstanding any provision herein to the contrary, if the Borrower has exercised its option under the first sentence of this Section 1.5, and any Default or Event of Default occurs following the date the definitive agreements for the applicable Limited Condition Transaction were entered into and prior to the consummation of such Limited Condition Transaction, any such Default or Event of Default shall be deemed to not have occurred or be continuing solely for purposes of determining whether any action being taken in

connection with such Limited Condition Transaction is permitted hereunder, but for the avoidance of doubt, any such Default or Event of Default shall be a Default or Event of Default for all other purposes hereunder.

(b) In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of determining (i) compliance on a pro forma basis with the Consolidated Total Net Leverage Ratio or the Senior Secured Net Leverage Ratio (but, for the avoidance of doubt, not for purposes of determining whether the Parent and the Borrower have complied with the financial covenant set forth in Article VI), (ii) whether a Default or Event of Default has occurred and is continuing, or (iii) the accuracy of any representation or warranty, then, in each case, the date of determination for whether any such action is permitted hereunder shall, at the election of the Borrower (the Borrower's election to exercise such option in connection with any Limited Condition Transaction, an "LCT Election"), be deemed to be the LCT Test Date (and not, for the avoidance of doubt, the date of consummation of such Limited Condition Transaction), after giving effect on a Pro Forma Basis to such Limited Condition Transaction and the other transactions to be entered into in connection therewith (including the incurrence of Indebtedness or Liens and the use of proceeds thereof) as if they had occurred at the beginning of the most recently ended period of four Fiscal Quarters of the Parent ending prior to the LCT Test Date for which financial statements are required to have been delivered pursuant to Section 5.1(a) or (b) (or, with respect to any determination of any financial ratio or metric for any person and its subsidiaries to be acquired in such Limited Condition Transaction, the specified applicable period therefor). For the avoidance of doubt, if the Parent or any of its Subsidiaries has exercised such option and any of such ratios, metrics or amounts for which compliance was determined or tested as of the LCT Test Date are exceeded as a result of fluctuations in any such ratio, metric or amount, including due to fluctuations in Consolidated EBITDA, at or prior to the consummation of such Limited Condition Transaction, such ratio, metric or amount will be deemed not to have been exceeded as a result of such fluctuations solely for purposes of determining whether such provision has been satisfied in connection with such Limited Condition Transaction.

(c) If the Parent or any of its Subsidiaries makes such LCT Election in connection with any Limited Condition Transaction, then (i) in connection with any subsequent calculation of any ratio, metric, or amount (but, for the avoidance of doubt, not for purposes of determining whether the Parent and the Borrower have complied with the financial covenant set forth in Article VI) on or following the relevant LCT Test Date and prior to the earlier of (A) the date on which such Limited Condition Transaction is consummated and (B) the date that the definitive agreement for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, any such ratio, metric, or amount shall be calculated on a Pro Forma Basis assuming that such Limited Condition Transaction and any other transactions in connection therewith (including any incurrence of indebtedness or liens and the use of proceeds thereof) have been consummated and (ii) such ratio, metric or amount availability shall not be tested at the time of consummation of such Limited Condition Transaction.

## ARTICLE II

### AMOUNT AND TERMS OF THE COMMITMENTS

**Section 2.1** General Description of Facilities. Subject to and upon the terms and conditions herein set forth, (i) the Lenders hereby establish in favor of the Borrower a revolving credit facility pursuant to which each Lender severally agrees (to the extent of such Lender's Revolving Commitment) to make Revolving Loans to the Borrower in accordance with Section 2.2; (ii) the Issuing Bank may issue Letters of Credit in accordance with Section 2.22; (iii) the Swingline Lender may make Swingline Loans in accordance with Section 2.4; (iv) each Lender agrees to purchase a participation interest in the Letters of Credit and the Swingline Loans pursuant to the terms and conditions hereof; provided that in no event shall the aggregate principal amount of all outstanding Revolving Loans, Swingline Loans and outstanding LC Exposure exceed the Aggregate Revolving Commitment Amount in effect from time to time, and (v) Incremental Term Loan commitments may be established as provided in Section 2.23 and the Incremental Term Loans thereunder shall be made in accordance with such Section.

**Section 2.2** Revolving Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make Revolving Loans, ratably in proportion to its Pro Rata Share of the Aggregate Revolving Commitments, to the Borrower, from time to time during the Availability Period, in an aggregate principal amount outstanding at any time that will not result in (a) such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Commitment or (b) the aggregate Revolving Credit Exposures of all Lenders exceeding the Aggregate Revolving Commitment Amount. During the Availability Period, the Borrower shall be entitled to borrow, prepay and reborrow Revolving Loans in accordance with the terms and conditions of this Agreement; provided that the Borrower may not borrow or reborrow should there exist a Default or Event of Default.

**Section 2.3** Procedure for Revolving Borrowings. The Borrower shall give the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of each Revolving Borrowing, substantially in the form of Exhibit 2.3 attached hereto (a "Notice of Revolving Borrowing"), (x) prior to 11:00 a.m. one (1) Business Day prior to the requested date of

each Base Rate Borrowing and (y) prior to 11:00 a.m. three (3) Business Days prior to the requested date of each Eurodollar Borrowing. Each Notice of Revolving Borrowing shall be irrevocable and shall specify (i) the aggregate principal amount of such Borrowing, (ii) the date of such Borrowing (which shall be a Business Day), (iii) the Type of such Revolving Loan comprising such Borrowing and (iv) in the case of a Eurodollar Borrowing, the duration of the initial Interest Period applicable thereto (subject to the provisions of the definition of Interest Period). Each Revolving Borrowing shall consist entirely of Base Rate Loans or Eurodollar Loans, as the Borrower may request. The aggregate principal amount of each Eurodollar Borrowing shall not be less than \$250,000 or a larger multiple of \$250,000, and the aggregate principal amount of each Base Rate Borrowing shall not be less than \$250,000 or a larger multiple of \$250,000; provided that Base Rate Loans made pursuant to Section 2.4 or Section 2.22(d) may be made in lesser amounts as provided therein. At no time shall the total number of Eurodollar Borrowings outstanding at any time exceed four (4). Promptly following the receipt of a Notice of Revolving Borrowing in accordance herewith, the Administrative Agent shall advise each Lender of the details thereof and the amount of such Lender's Revolving Loan to be made as part of the requested Revolving Borrowing.

**Section 2.4**                      **Swingline Commitment.**

(a)                      Subject to the terms and conditions set forth herein, the Swingline Lender shall make Swingline Loans to the Borrower, from time to time during the Availability Period, in an aggregate principal amount outstanding at any time not to exceed the lesser of (i) the Swingline Commitment then in effect and (ii) the difference between the Aggregate Revolving Commitment Amount and the aggregate Revolving Credit Exposures of all Lenders; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. The Borrower shall be entitled to borrow, repay and reborrow Swingline Loans in accordance with the terms and conditions of this Agreement.

(b)                      The Borrower shall give the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of each Swingline Borrowing, substantially in the form of Exhibit 2.4 attached hereto (a "Notice of Swingline Borrowing"), prior to 10:00 a.m. on the requested date of each Swingline Borrowing. Each Notice of Swingline Borrowing shall be irrevocable and shall specify (i) the principal amount of such Swingline Borrowing, (ii) the date of such Swingline Borrowing (which shall be a Business Day) and (iii) the account of the Borrower to which the proceeds of such Swingline Borrowing should be credited. The Administrative Agent will promptly advise the Swingline Lender of each Notice of Swingline Borrowing. The aggregate principal amount of each Swingline Loan shall not be less than \$100,000 or a larger multiple of \$50,000, or such other minimum amounts agreed to by the Swingline Lender and the Borrower. The Swingline Lender will make the proceeds of each Swingline Loan available to the Borrower in Dollars in immediately available funds at the account specified by the Borrower in the applicable Notice of Swingline Borrowing not later than 1:00 p.m. on the requested date of such Swingline Borrowing.

(c)                      The Swingline Lender, at any time and from time to time in its sole discretion, may, but in no event no less frequently than once each calendar week shall, on behalf of the Borrower (which hereby irrevocably authorizes and directs the Swingline Lender to act on its behalf), give a Notice of Revolving Borrowing to the Administrative Agent requesting the Lenders (including the Swingline Lender) to make Base Rate Loans in an amount equal to the unpaid principal amount of any Swingline Loan. Each Lender will make the proceeds of its Base Rate Loan included in such Borrowing available to the Administrative Agent for the account of the Swingline Lender in accordance with Section 2.6, which will be used solely for the repayment of such Swingline Loan.

(d)                      If for any reason a Base Rate Borrowing may not be (as determined in the sole discretion of the Administrative Agent), or is not, made in accordance with the foregoing provisions, then each Lender (other than the Swingline Lender) shall purchase an undivided participating interest in such Swingline Loan in an amount equal to its Pro Rata Share thereof on the date that such Base Rate Borrowing should have occurred. On the date of such required purchase, each Lender shall promptly transfer, in immediately available funds, the amount of its participating interest to the Administrative Agent for the account of the Swingline Lender.

(e)                      Each Lender's obligation to make a Base Rate Loan pursuant to subsection (c) of this Section or to purchase participating interests pursuant to subsection (d) of this Section shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any set-off, counterclaim, recoupment, defense or other right that such Lender or any other Person may have or claim against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (ii) the existence of a Default or an Event of Default or the termination of any Lender's Revolving Commitment, (iii) the existence (or alleged existence) of any event or condition which has had or would reasonably be expected to have a Material Adverse Effect, (iv) any breach of this Agreement or any other Loan Document by any Loan Party, the Administrative Agent or any Lender or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If such amount is not in fact made available to the Swingline Lender by any Lender, the Swingline Lender shall be entitled to recover such amount on demand from such Lender,

together with accrued interest thereon for each day from the date of demand thereof (x) at the Federal Funds Rate until the second Business Day after such demand and (y) at the Base Rate at all times thereafter. Until such time as such Lender makes its required payment, the Swingline Lender shall be deemed to continue to have outstanding Swingline Loans in the amount of the unpaid participation for all purposes of the Loan Documents. In addition, such Lender shall be deemed to have assigned any and all payments made of principal and interest on its Loans and any other amounts due to it hereunder to the Swingline Lender to fund the amount of such Lender's participation interest in such Swingline Loans that such Lender failed to fund pursuant to this Section, until such amount has been purchased in full.

**Section 2.5** [ **Intentionally Omitted** ].

**Section 2.6** **Funding of Borrowings**.

(a) Each Lender will make available each Loan to be made by it hereunder on the proposed date thereof by wire transfer in immediately available funds by 11:00 a.m. to the Administrative Agent at the Payment Office; provided that the Swingline Loans will be made as set forth in Section 2.4. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts that it receives, in like funds by the close of business on such proposed date, to an account maintained by the Borrower with the Administrative Agent or, at the Borrower's option, by effecting a wire transfer of such amounts to an account designated by the Borrower to the Administrative Agent.

(b) Unless the Administrative Agent shall have been notified by any Lender prior to 5:00 p.m. one (1) Business Day prior to the date of a Borrowing in which such Lender is to participate that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date, and the Administrative Agent, in reliance on such assumption, may make available to the Borrower on such date a corresponding amount. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender on the date of such Borrowing, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender together with interest (x) at the Federal Funds Rate until the second Business Day after such demand and (y) at the Base Rate at all times thereafter. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify the Borrower, and the Borrower shall immediately pay such corresponding amount to the Administrative Agent together with interest at the rate specified for such Borrowing. Nothing in this subsection shall be deemed to relieve any Lender from its obligation to fund its Pro Rata Share of any Borrowing hereunder or to prejudice any rights which the Borrower may have against any Lender as a result of any de-fault by such Lender hereunder.

(c) All Revolving Borrowings shall be made by the Lenders on the basis of their respective Pro Rata Shares. No Lender shall be responsible for any default by any other Lender in its obligations hereunder, and each Lender shall be obligated to make its Loans provided to be made by it hereunder, regardless of the failure of any other Lender to make its Loans hereunder.

**Section 2.7** **Interest Elections**.

(a) Each Borrowing initially shall be of the Type specified in the applicable Notice of Borrowing. Thereafter, the Borrower may elect to convert such Borrowing into a different Type or to continue such Borrowing, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall give the Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of each Borrowing that is to be converted or continued, as the case may be, substantially in the form of Exhibit 2.7 attached hereto (a "Notice of Conversion/Continuation") (x) prior to 10:00 a.m. one (1) Business Day prior to the requested date of a conversion into a Base Rate Borrowing and (y) prior to 11:00 a.m. three (3) Business Days prior to a continuation of or conversion into a Eurodollar Borrowing. Each such Notice of Conversion/Continuation shall be irrevocable and shall specify (i) the Borrowing to which such Notice of Conversion/Continuation applies and, if different options are being elected with respect to different portions thereof, the portions thereof that are to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) shall be specified for each resulting Borrowing), (ii) the effective date of the election made pursuant to such Notice of Conversion/Continuation, which shall be a Business Day, (iii) whether the resulting Borrowing is to be a Base Rate Borrowing or a Eurodollar Borrowing, and (iv) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period applicable thereto after giving effect to such election, which shall be a period

contemplated by the definition of "Interest Period". If any such Notice of Conversion/Continuation requests a Eurodollar Borrowing but does not specify an Interest Period, the Borrower shall be deemed to have selected an Interest Period of one month. The principal amount of any resulting Borrowing shall satisfy the minimum borrowing amount for Eurodollar Borrowings and Base Rate Borrowings set forth in Section 2.3.

(c) If, on the expiration of any Interest Period in respect of any Eurodollar Borrowing, the Borrower shall have failed to deliver a Notice of Conversion/Continuation, then, unless such Borrowing is repaid as provided herein, the Borrower shall be deemed to have elected to convert such Borrowing to a Base Rate Borrowing. No Borrowing may be converted into, or continued as, a Eurodollar Borrowing if a Default or an Event of Default exists, unless the Administrative Agent and each of the Lenders shall have otherwise consented in writing. No conversion of any Eurodollar Loan shall be permitted except on the last day of the Interest Period in respect thereof.

(d) Upon receipt of any Notice of Conversion/Continuation, the Administrative Agent shall promptly notify each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

**Section 2.8** Optional Reduction and Termination of Commitments.

(a) Unless previously terminated, all Revolving Commitments, Swingline Commitments and LC Commitments shall terminate on the Revolving Commitment Termination Date. The Incremental Term Loan commitments shall terminate on the date that the applicable Incremental Term Loans under such commitments are made.

(b) Upon at least three (3) Business Days' prior written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent (which notice shall be irrevocable), the Borrower may reduce the Aggregate Revolving Commitments in part or terminate the Aggregate Revolving Commitments in whole; provided that (i) any partial reduction shall apply to reduce proportionately and permanently the Revolving Commitment of each Lender, (ii) any partial reduction pursuant to this Section shall be in an amount of at least \$5,000,000 and any larger multiple of \$1,000,000, and (iii) no such reduction shall be permitted which would reduce the Aggregate Revolving Commitment Amount to an amount less than the aggregate outstanding Revolving Credit Exposure of all Lenders. Any such reduction in the Aggregate Revolving Commitment Amount below the principal amount of the Swingline Commitment and the LC Commitment shall result in a dollar-for-dollar reduction in the Swingline Commitment and the LC Commitment.

(c) With the written approval of the Administrative Agent, the Borrower may terminate (on a non-ratable basis) the unused amount of the Revolving Commitment of a Defaulting Lender, and in such event the provisions of Section 2.26 will apply to all amounts thereafter paid by the Borrower for the account of any such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); provided that such termination will not be deemed to be a waiver or release of any claim that the Borrower, the Administrative Agent, the Issuing Bank, the Swingline Lender or any other Lender may have against such Defaulting Lender.

**Section 2.9** Repayment of Loans. The outstanding principal amount of all Revolving Loans and Swingline Loans shall be due and payable (together with accrued and unpaid interest thereon) on the Revolving Commitment Termination Date. The outstanding principal amount of all Incremental Term Loans shall be due and payable as agreed in writing by the applicable lenders of such Incremental Term Loans and the Borrower, subject to Section 2.23. Any Incremental Term Loans that are repaid or prepaid may not be reborrowed.

**Section 2.10** Evidence of Indebtedness.

(a) Each Lender shall maintain in accordance with its usual practice appropriate records evidencing the Indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable thereon and paid to such Lender from time to time under this Agreement. The Administrative Agent shall maintain appropriate records in which shall be recorded (i) the Revolving Commitment of each Lender, (ii) the amount of each Loan made hereunder by each Lender, the Class and Type thereof and, in the case of each Eurodollar Loan, the Interest Period applicable thereto, (iii) the date of any continuation of any Loan pursuant to Section 2.7, (iv) the date of any conversion of all or a portion of any Loan to another Type pursuant to Section 2.7, (v) the date and amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder in respect of the Loans and (vi) both the date and amount of any sum received by the Administrative Agent hereunder from the Borrower in respect of the Loans and each Lender's Pro Rata Share thereof. The entries made in such records shall be *prima facie* evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided that the failure or delay of any Lender or the Administrative Agent in maintaining or making entries into any such record or any error therein shall not in any manner affect the obligation of the Borrower

to repay the Loans (both principal and unpaid accrued interest) of such Lender in accordance with the terms of this Agreement.

(b) This Agreement evidences the obligation of the Borrower to repay the Loans and is being executed as a “noteless” credit agreement. However, at the request of any Lender (including the Swingline Lender) at any time, the Borrower agrees that it will prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment permitted hereunder) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

**Section 2.11**                    **Optional Prepayments**. The Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, without premium or penalty, by giving written notice (or telephonic notice promptly confirmed in writing) to the Administrative Agent no later than (i) in the case of any prepayment of any Eurodollar Borrowing, 11:00 a.m. not less than three (3) Business Days prior to the date of such prepayment, (ii) in the case of any prepayment of any Base Rate Borrowing, not less than one (1) Business Day prior to the date of such prepayment, and (iii) in the case of any prepayment of any Swingline Borrowing, prior to 11:00 a.m. on the date of such prepayment. Each such notice shall be irrevocable and shall specify the proposed date of such prepayment and the principal amount of each Borrowing or portion thereof to be prepaid. Upon receipt of any such notice, the Administrative Agent shall promptly notify each affected Lender of the contents thereof and of such Lender’s Pro Rata Share of any such prepayment. If such notice is given, the aggregate amount specified in such notice shall be due and payable on the date designated in such notice, together with accrued interest to such date on the amount so prepaid in accordance with Section 2.13(d); provided that if a Eurodollar Borrowing is prepaid on a date other than the last day of an Interest Period applicable thereto, the Borrower shall also pay all amounts required pursuant to Section 2.19. Each partial prepayment of any Loan shall be in an amount that would be permitted in the case of an advance of a Revolving Borrowing of the same Type pursuant to Section 2.2 or, in the case of a Swingline Loan, pursuant to Section 2.4. Each optional prepayment of a Borrowing shall be applied ratably to the Loans comprising such Borrowing and, in the case of a prepayment of an Incremental Term Loan Borrowing, to principal installments in the manner selected by the Borrower.

**Section 2.12**                    **Mandatory Prepayments**.

(a) If at any time the aggregate Revolving Credit Exposure of all Lenders exceeds the Aggregate Revolving Commitment Amount, as reduced pursuant to Section 2.8 or otherwise, the Borrower shall immediately repay the Swingline Loans and the Revolving Loans in an amount equal to such excess, together with all accrued and unpaid interest on such excess amount and any amounts due under Section 2.19. Each prepayment shall be applied as follows: first, to the Swingline Loans to the full extent thereof; second, to the Base Rate Loans to the full extent thereof; and third, to the Eurodollar Loans to the full extent thereof. If, after giving effect to prepayment of all Swingline Loans and Revolving Loans, the aggregate Revolving Credit Exposure of all Lenders exceeds the Aggregate Revolving Commitment Amount, the Borrower shall Cash Collateralize its reimbursement obligations with respect to all Letters of Credit in an amount equal to such excess plus any accrued and unpaid fees thereon.

(b) To the extent there are any additional mandatory prepayments required in connection with the incurrence of any Incremental Term Loans, such prepayments shall be applied as follows: first, to the Administrative Agent’s fees and reimbursable expenses then due and payable pursuant to any of the Loan Documents; second, to all reimbursable expenses of the Lenders and all fees and reimbursable expenses of the Issuing Bank then due and payable pursuant to any of the Loan Documents, *pro rata* to the Lenders and the Issuing Bank based on their respective *pro rata* shares of such fees and expenses; third, to interest and fees then due and payable hereunder, *pro rata* to the Lenders based on their respective *pro rata* shares of such interest and fees; fourth, to the principal balance of the Incremental Term Loans, until the same shall have been paid in full, *pro rata* to the Lenders based on their Pro Rata Shares of the Incremental Term Loans, and applied to installments of the Incremental Term Loans in inverse order of maturity; fifth, to the principal balance of the Swingline Loans, until the same shall have been paid in full, to the Swingline Lender; sixth, to the principal balance of the Revolving Loans, until the same shall have been paid in full, *pro rata* to the Lenders based on their respective Revolving Commitments; and seventh, to Cash Collateralize the Letters of Credit in an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid fees thereon. The Revolving Commitments of the Lenders shall not be permanently reduced by the amount of any prepayments made pursuant to clauses fifth through seventh above, unless an Event of Default has occurred and is continuing and the Required Revolving Lenders so request.

**Section 2.13**                    **Interest on Loans**.

(a) The Borrower shall pay interest on (i) each Base Rate Loan at the Base Rate plus the Applicable Margin in effect from time to time and (ii) each Eurodollar Loan at the Adjusted LIBO Rate for the applicable Interest Period in effect for such Loan plus the Applicable Margin in effect from time to time.

(b) The Borrower shall pay interest on each Swingline Loan at the Base Rate plus the Applicable Margin in effect from time to time.

(c) Notwithstanding subsections (a) and (b) of this Section, (i) after the occurrence of an Event of Default under Sections 8.1(a), 8.1(h), or 8.1(i), the Borrower shall pay interest with respect to all Eurodollar Loans at the rate *per annum* equal to 200 basis points above the otherwise applicable interest rate for such Eurodollar Loans for the then-current Interest Period until the last day of such Interest Period, and thereafter, and with respect to all Base Rate Loans and all other Obligations hereunder (other than Loans), at the rate *per annum* equal to 200 basis points above the otherwise applicable interest rate for Base Rate Loans, and (ii) if any interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest at a rate *per annum* equal to 200 basis points above the otherwise applicable interest rate for Base Rate Loans hereunder. The interest described in this clause (c) is referred to herein as “Default Interest”.

(d) Interest on the principal amount of all Loans shall accrue from and including the date such Loans are made to but excluding the date of any repayment thereof. Interest on all outstanding Base Rate Loans and Swingline Loans shall be payable quarterly in arrears on the last day of each March, June, September and December and on the Revolving Commitment Termination Date or the Maturity Date, as the case may be. Interest on all outstanding Eurodollar Loans shall be payable on the last day of each Interest Period applicable thereto, and, in the case of any Eurodollar Loans having an Interest Period in excess of three months, on each day which occurs every three months after the initial date of such Interest Period, and on the Revolving Commitment Termination Date or the Maturity Date, as the case may be. Interest on any Loan which is converted into a Loan of another Type or which is repaid or prepaid shall be payable on the date of such conversion or on the date of any such repayment or prepayment (on the amount repaid or prepaid) thereof. All Default Interest shall be payable on demand.

(e) The Administrative Agent shall determine each interest rate applicable to the Loans hereunder and shall promptly notify the Borrower and the Lenders of such rate in writing (or by telephone, promptly confirmed in writing). Any such determination shall be conclusive and binding for all purposes, absent manifest error.

#### **Section 2.14**

##### **Fees.**

(a) The Borrower shall pay to the Administrative Agent for its own account fees in the amounts and at the times previously agreed upon in writing by the Borrower and the Administrative Agent.

(b) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the Applicable Percentage *per annum* (determined daily in accordance with Schedule I) on the daily amount of the unused Revolving Commitment of such Lender during the Availability Period. For purposes of computing the commitment fee, the Revolving Commitment of each Lender shall be deemed used to the extent of the outstanding Revolving Loans and LC Exposure, but not Swingline Exposure, of such Lender.

(c) The Borrower agrees to pay (i) to the Administrative Agent, for the account of each Lender, a letter of credit fee with respect to its participation in each Letter of Credit, which shall accrue at a rate *per annum* equal to the Applicable Margin for Eurodollar Loans then in effect on the average daily amount of such Lender’s LC Exposure attributable to such Letter of Credit during the period from and including the date of issuance of such Letter of Credit to but excluding the date on which such Letter of Credit expires or is drawn in full (including, without limitation, any LC Exposure that remains outstanding after the Revolving Commitment Termination Date) and (ii) to the Issuing Bank for its own account a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the Availability Period (or until the date that such Letter of Credit is irrevocably cancelled, whichever is later), as well as the Issuing Bank’s standard fees with respect to issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Notwithstanding the foregoing, if the Required Lenders elect to increase the interest rate on the Loans to the rate for Default Interest pursuant to Section 2.13(c), the rate *per annum* used to calculate the letter of credit fee pursuant to clause (i) above shall automatically be increased by 200 basis points.

(d) The Borrower shall pay on the Restatement Date to the Administrative Agent and its affiliates all fees in the Fee Letter that are due and payable on the Restatement Date. The Borrower shall pay on the Restatement Date to the Lenders all upfront fees previously agreed in writing.

(e) Accrued fees under subsections (b) and (c) of this Section shall be payable quarterly in arrears on the last day of each March, June, September and December, commencing on December 31, 2017, and on the Revolving Commitment Termination Date (and, if later, the date the Loans and LC Exposure shall be repaid in their entirety); provided that any such fees accruing after the Revolving Commitment Termination Date shall be payable on demand.

**Section 2.15** Computation of Interest and Fees.

Interest hereunder based on the Administrative Agent's prime lending rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day). All other interest and all fees hereunder shall be computed on the basis of a year of 360 days and paid for the actual number of days elapsed (including the first day but excluding the last day). Each determination by the Administrative Agent of an interest rate or fee hereunder shall be made in good faith and, except for manifest error, shall be final, conclusive and binding for all purposes.

**Section 2.16** Inability to Determine Interest Rates. If, prior to the commencement of any Interest Period for any Eurodollar Borrowing:

(i) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) that, by reason of circumstances affecting the relevant interbank market, adequate means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period, or

(ii) the Administrative Agent shall have received notice from the Required Lenders that the Adjusted LIBO Rate does not adequately and fairly reflect the cost to such Lenders of making, funding or maintaining their Eurodollar Loans for such Interest Period,

the Administrative Agent shall give written notice (or telephonic notice, promptly confirmed in writing) to the Borrower and to the Lenders as soon as practicable thereafter. Until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) the obligations of the Lenders to make Eurodollar Revolving Loans or to continue or convert outstanding Loans as or into Eurodollar Loans shall be suspended and (ii) all such affected Eurodollar Loans shall be converted into Base Rate Loans on the last day of the then current Interest Period applicable thereto unless the Borrower prepays such Loans in accordance with this Agreement. Unless the Borrower notifies the Administrative Agent at least one (1) Business Day before the date of any Eurodollar Borrowing for which a Notice of Revolving Borrowing or a Notice of Conversion/Continuation has previously been given that it elects not to borrow, continue or convert to a Eurodollar Borrowing on such date, then such Revolving Borrowing shall be made as, continued as or converted into a Base Rate Borrowing.

**Section 2.17** Illegality. If any Change in Law shall make it unlawful or impossible for any Lender to perform any of its obligations hereunder or to make, maintain or fund any Eurodollar Loan and such Lender shall so notify the Administrative Agent, the Administrative Agent shall promptly give notice thereof to the Borrower and the other Lenders, whereupon until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such suspension no longer exist, the obligation of such Lender to make Eurodollar Revolving Loans, or to continue or convert outstanding Loans as or into Eurodollar Loans, shall be suspended. In the case of the making of a Eurodollar Borrowing, such Lender's Revolving Loan shall be made as a Base Rate Loan as part of the same Revolving Borrowing for the same Interest Period and, if the affected Eurodollar Loan is then outstanding, such Loan shall be converted to a Base Rate Loan either (i) on the last day of the then current Interest Period applicable to such Eurodollar Loan if such Lender may lawfully continue to maintain such Loan to such date or (ii) immediately if such Lender shall determine that it may not lawfully continue to maintain such Eurodollar Loan to such date. Notwithstanding the foregoing, the affected Lender shall, prior to giving such notice to the Administrative Agent, use reasonable efforts to designate a different Applicable Lending Office if such designation would avoid the need for giving such notice and if such designation would not otherwise be disadvantageous to such Lender in the good faith exercise of its discretion.

**Section 2.18** Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement that is not otherwise included in the determination of the Adjusted LIBO Rate hereunder against assets of,



deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or the Issuing Bank; or

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender, the Issuing Bank or the eurodollar interbank market any other condition (other than Taxes) affecting this Agreement or any Eurodollar Loans made by such Lender or any Letter of Credit or any participation therein;

and the result of any of the foregoing is to increase the cost to such Lender of making, converting into, continuing or maintaining a Eurodollar Loan or to increase the cost to such Lender or the Issuing Bank of participating in or issuing any Letter of Credit or to reduce the amount received or receivable by such Lender or the Issuing Bank hereunder (whether of principal, interest or any other amount),

then, from time to time, such Lender or the Issuing Bank may provide the Borrower (with a copy thereof to the Administrative Agent) with written notice and demand with respect to such increased costs or reduced amounts, and within five (5) Business Days after receipt of such notice and demand the Borrower shall pay to such Lender or the Issuing Bank, as the case may be, such additional amounts as will compensate such Lender or the Issuing Bank for any such increased costs incurred or reduction suffered.

(b) If any Lender or the Issuing Bank shall have determined that on or after the date of this Agreement any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or the Issuing Bank's capital (or on the capital of the Parent Company of such Lender or the Issuing Bank) as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender, the Issuing Bank or such Parent Company could have achieved but for such Change in Law (taking into consideration such Lender's or the Issuing Bank's policies or the policies of such Parent Company with respect to capital adequacy and liquidity), then, from time to time, such Lender or the Issuing Bank may provide the Borrower (with a copy thereof to the Administrative Agent) with written notice and demand with respect to such reduced amounts, and within five (5) Business Days after receipt of such notice and demand the Borrower shall pay to such Lender or the Issuing Bank, as the case may be, such additional amounts as will compensate such Lender, the Issuing Bank or such Parent Company for any such reduction suffered; provided that no Lender shall be entitled to request payment of any such amounts with respect to a Change in Law relating to Dodd-Frank or Basel III unless such Lender is generally demanding payment under comparable provisions of its agreements with similarly situated borrowers.

(c) A certificate of such Lender or the Issuing Bank setting forth the amount or amounts necessary to compensate such Lender, the Issuing Bank or the Parent Company of such Lender or the Issuing Bank, as the case may be, specified in subsection (a) or (b) of this Section shall be delivered to the Borrower (with a copy to the Administrative Agent) and shall be conclusive, absent manifest error.

(d) Failure or delay on the part of any Lender or the Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or the Issuing Bank's right to demand such compensation; provided, that the Borrower shall not be required to compensate a Lender or Issuing Bank pursuant to this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender or Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or Issuing Bank's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

**Section 2.19** **Funding Indemnity.** In the event of (a) the payment of any principal of a Eurodollar Loan other than on the last day of the Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion or continuation of a Eurodollar Loan other than on the last day of the Interest Period applicable thereto, or (c) the failure by the Borrower to borrow, prepay, convert or continue any Eurodollar Loan on the date specified in any applicable notice (regardless of whether such notice is withdrawn or revoked), then, in any such event, the Borrower shall compensate each Lender, within five (5) Business Days after written demand from such Lender, for any loss, cost or expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense shall be deemed to include an amount determined by such Lender to be the excess, if any, of (A) the amount of interest that would have accrued on the principal amount of such Eurodollar Loan if such event had not occurred at the Adjusted LIBO Rate applicable to such Eurodollar Loan for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would

have been the Interest Period for such Eurodollar Loan) over (B) the amount of interest that would accrue on the principal amount of such Eurodollar Loan for the same period if the Adjusted LIBO Rate were set on the date such Eurodollar Loan was prepaid or converted or the date on which the Borrower failed to borrow, convert or continue such Eurodollar Loan. A certificate as to any additional amount payable under this Section submitted to the Borrower by any Lender (with a copy to the Administrative Agent) shall be conclusive, absent manifest error.

**Section 2.20**                      **Taxes** .

(a)                      Defined Terms . For purposes of this Section 2.20 , the term “Lender” includes Issuing Bank and the term “applicable law” includes FATCA.

(b)                      Payments Free of Taxes . Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c)                      Payment of Other Taxes by the Borrower . The Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d)                      Indemnification by the Borrower . The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e)                      Indemnification by the Lenders . Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 10.4(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f)                      Evidence of Payments . As soon as practicable after any payment of Taxes by the Borrower or any other Loan Party to a Governmental Authority pursuant to this Section 2.20, the Borrower or other Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g)                      Status of Lenders . (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed

by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.20(g) (i)(A), (i)(B) and (i)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit 2.20A to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit 2.20B or Exhibit 2.20C, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit 2.20D on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting

requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.20 (including by the payment of additional amounts pursuant to this Section 2.20), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section 2.20 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

**Section 2.21** Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.18, 2.19 or 2.20, or otherwise) prior to 12:00 noon on the date when due, in immediately available funds, free and clear of any defenses, rights of set-off, counterclaim, or withholding or deduction of taxes. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at the Payment Office, except payments to be made directly to the Issuing Bank or the Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.18, 2.19, 2.20 and 10.3 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be made payable for the period of such extension. All payments hereunder shall be made in Dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied as follows: first, to all fees and reimbursable expenses of the Administrative Agent then due and payable pursuant to any of the Loan Documents; second, to all reimbursable expenses of the Lenders and all fees and reimbursable expenses of the Issuing Bank then due and payable pursuant to any of the Loan Documents, *pro rata* to the Lenders and the Issuing Bank based on their respective *pro rata* shares of such fees and expenses; third, to all interest and fees then due and payable hereunder, *pro rata* to the Lenders based on their respective *pro rata* shares of such interest and fees; and fourth, to all principal of the Loans and unreimbursed LC Disbursements then due and payable hereunder, *pro rata*

to the parties entitled thereto based on their respective *pro rata* shares of such principal and unreimbursed LC Disbursements.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements or Swingline Loans that would result in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Credit Exposure, Incremental Term Loans and accrued interest and fees thereon than the proportion received by any other Lender with respect to its Revolving Credit Exposure or Incremental Term Loans, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Credit Exposure and Incremental Term Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Credit Exposure and Incremental Term Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this subsection shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Revolving Credit Exposure or Incremental Term Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this subsection shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount or amounts due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

## **Section 2.22                      Letters of Credit.**

(a) During the Availability Period, the Issuing Bank, in reliance upon the agreements of the other Lenders pursuant to subsections (d) and (e) of this Section, may, in its sole discretion, issue, at the request of the Borrower, Letters of Credit for the account of the Borrower on the terms and conditions hereinafter set forth; provided that (i) each Letter of Credit shall expire on the earlier of (A) unless consented to by the Issuing Bank, the date one year after the date of issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (B) the date that is five (5) Business Days prior to the Revolving Commitment Termination Date; (ii) each Letter of Credit shall be in a stated amount of at least \$250,000; (iii) the Borrower may not request any Letter of Credit if, after giving effect to such issuance, (A) the aggregate LC Exposure would exceed the LC Commitment or (B) the aggregate Revolving Credit Exposure of all Lenders would exceed the Aggregate Revolving Commitment Amount and (iv) the Borrower shall not request, and the Issuing Bank shall have no obligation to issue, any Letter of Credit the proceeds of which would be made available to any Person (AA) to fund any activity or business of or with any Sanctioned Person or in any Sanctioned Countries, that, at the time of such funding, is the subject of any Sanctions or (BB) in any manner that would result in a violation of any Sanctions by any party to this Agreement. Each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Issuing Bank without recourse a participation in each Letter of Credit equal to such Lender's Pro Rata Share of the aggregate amount available to be drawn under such Letter of Credit on the date of issuance. Each issuance of a Letter of Credit shall be deemed to utilize the Revolving Commitment of each Lender by an amount equal to the amount of such participation.

(b) To request the issuance of a Letter of Credit (or any amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall give the Issuing Bank and the Administrative Agent irrevocable written notice at least three (3) Business Days prior to the requested date of such issuance specifying the date (which shall be a Business Day) such Letter of Credit is to be issued (or amended, renewed or extended, as the case may be), the expiration date of such Letter of Credit, the amount of such Letter of Credit, the name and address of the beneficiary thereof and

such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. In addition to the satisfaction of the conditions in Article III, the issuance of such Letter of Credit (or any amendment which increases the amount of such Letter of Credit) will be subject to the further conditions that such Letter of Credit shall be in such form and contain such terms as the Issuing Bank shall approve and that the Borrower shall have executed and delivered any additional applications, agreements and instruments relating to such Letter of Credit as the Issuing Bank shall reasonably require; provided that in the event of any conflict between such applications, agreements or instruments and this Agreement, the terms of this Agreement shall control.

(c) At least two (2) Business Days prior to the issuance of any Letter of Credit, the Issuing Bank will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received such notice, and, if not, the Issuing Bank will provide the Administrative Agent with a copy thereof. Unless the Issuing Bank has received notice from the Administrative Agent, on or before the Business Day immediately preceding the date the Issuing Bank is to issue the requested Letter of Credit, directing the Issuing Bank not to issue the Letter of Credit because such issuance is not then permitted hereunder because of the limitations set forth in subsection (a) of this Section or that one or more conditions specified in Article III are not then satisfied, then, subject to the terms and conditions hereof, the Issuing Bank shall, on the requested date, issue such Letter of Credit in accordance with the Issuing Bank's usual and customary business practices.

(d) The Issuing Bank shall examine all documents purporting to represent a demand for payment under a Letter of Credit promptly following its receipt thereof. The Issuing Bank shall notify the Borrower and the Administrative Agent of such demand for payment and whether the Issuing Bank has made or will make a LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Lenders with respect to such LC Disbursement. The Borrower shall be irrevocably and unconditionally obligated to reimburse the Issuing Bank for any LC Disbursements paid by the Issuing Bank in respect of such drawing, without presentment, demand or other formalities of any kind. Unless the Borrower shall have notified the Issuing Bank and the Administrative Agent prior to 11:00 a.m. on the Business Day immediately prior to the date on which such drawing is honored that the Borrower intends to reimburse the Issuing Bank for the amount of such drawing in funds other than from the proceeds of Revolving Loans, the Borrower shall be deemed to have timely given a Notice of Revolving Borrowing to the Administrative Agent requesting the Lenders to make a Base Rate Borrowing on the date on which such drawing is honored in an exact amount due to the Issuing Bank; provided that for purposes solely of such Borrowing, the conditions precedent set forth in Section 3.2 hereof shall not be applicable. The Administrative Agent shall notify the Lenders of such Borrowing in accordance with Section 2.3, and each Lender shall make the proceeds of its Base Rate Loan included in such Borrowing available to the Administrative Agent for the account of the Issuing Bank in accordance with Section 2.6. The proceeds of such Borrowing shall be applied directly by the Administrative Agent to reimburse the Issuing Bank for such LC Disbursement.

(e) If for any reason a Base Rate Borrowing may not be (as determined in the sole discretion of the Administrative Agent), or is not, made in accordance with the foregoing provisions, then each Lender (other than the Issuing Bank) shall be obligated to fund the participation that such Lender purchased pursuant to subsection (a) of this Section in an amount equal to its Pro Rata Share of such LC Disbursement on and as of the date which such Base Rate Borrowing should have occurred. Each Lender's obligation to fund its participation shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any set-off, counterclaim, recoupment, defense or other right that such Lender or any other Person may have against the Issuing Bank or any other Person for any reason whatsoever, (ii) the existence of a Default or an Event of Default or the termination of the Aggregate Revolving Commitments, (iii) any adverse change in the condition (financial or otherwise) of the Borrower or any of its Subsidiaries, (iv) any breach of this Agreement by the Borrower or any other Lender, (v) any amendment, renewal or extension of any Letter of Credit or (vi) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. On the date that such participation is required to be funded, each Lender shall promptly transfer, in immediately available funds, the amount of its participation to the Administrative Agent for the account of the Issuing Bank. Whenever, at any time after the Issuing Bank has received from any such Lender the funds for its participation in a LC Disbursement, the Issuing Bank (or the Administrative Agent on its behalf) receives any payment on account thereof, the Administrative Agent or the Issuing Bank, as the case may be, will distribute to such Lender its Pro Rata Share of such payment; provided that if such payment is required to be returned for any reason to the Borrower or to a trustee, receiver, liquidator, custodian or similar official in any bankruptcy proceeding, such Lender will return to the Administrative Agent or the Issuing Bank any portion thereof previously distributed by the Administrative Agent or the Issuing Bank to it.

(f) To the extent that any Lender shall fail to pay any amount required to be paid pursuant to subsection (d) or (e) of this Section on the due date therefor, such Lender shall pay interest to the Issuing Bank (through the Administrative Agent) on such amount from such due date to the date such payment is made at a rate *per annum* equal

to the Federal Funds Rate; provided that if such Lender shall fail to make such payment to the Issuing Bank within three (3) Business Days of such due date, then, retroactively to the due date, such Lender shall be obligated to pay interest on such amount at the rate set forth in Section 2.13(c).

(g) If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders demanding that its reimbursement obligations with respect to the Letters of Credit be Cash Collateralized pursuant to this subsection, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Issuing Bank and the Lenders, an amount in cash equal to 105% of the aggregate LC Exposure of all Lenders as of such date plus any accrued and unpaid fees thereon; provided that such obligation to Cash Collateralize the reimbursement obligations of the Borrower with respect to the Letters of Credit shall become effective immediately, and such deposit shall become immediately due and payable, without demand or notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Section 8.1(h) or (i). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. The Borrower agrees to execute any documents and/or certificates to effectuate the intent of this subsection. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest and profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it had not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated, with the consent of the Required Lenders, be applied to satisfy other obligations of the Borrower under this Agreement and the other Loan Documents. If the Borrower is required to Cash Collateralize its reimbursement obligations with respect to the Letters of Credit as a result of the occurrence of an Event of Default, such cash collateral so posted (to the extent not so applied as aforesaid) shall be returned to the Borrower within three (3) Business Days after all Events of Default have been cured or waived.

(h) Upon the request of any Lender, but no more frequently than quarterly, the Issuing Bank shall deliver (through the Administrative Agent) to each Lender and the Borrower a report describing the aggregate Letters of Credit then outstanding. Upon the request of any Lender from time to time, the Issuing Bank shall deliver to such Lender any other information reasonably requested by such Lender with respect to each Letter of Credit then outstanding.

(i) The Borrower's obligation to reimburse LC Disbursements hereunder shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under all circumstances whatsoever and irrespective of any of the following circumstances:

- (i) any lack of validity or enforceability of any Letter of Credit or this Agreement;
- (ii) the existence of any claim, set-off, defense or other right which the Borrower or any Subsidiary or Affiliate of the Borrower may have at any time against a beneficiary or any transferee of any Letter of Credit (or any Persons or entities for whom any such beneficiary or transferee may be acting), any Lender (including the Issuing Bank) or any other Person, whether in connection with this Agreement or the Letter of Credit or any document related hereto or thereto or any unrelated transaction;
- (iii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect;
- (iv) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document to the Issuing Bank that does not comply with the terms of such Letter of Credit;
- (v) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of set-off against, the Borrower's obligations hereunder; or
- (vi) the existence of a Default or an Event of Default.

Neither the Administrative Agent, the Issuing Bank, any Lender nor any Related Party of any of the foregoing shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to above), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter

of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank; provided that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any actual direct damages (as opposed to special, indirect (including claims for lost profits or other consequential damages), or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise due care when determining whether drafts or other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised due care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented that appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(j) Unless otherwise expressly agreed by the Issuing Bank and the Borrower when a Letter of Credit is issued and subject to applicable laws, (i) each standby Letter of Credit shall be governed by the "International Standby Practices 1998" (ISP98) (or such later revision as may be published by the Institute of International Banking Law & Practice on any date any Letter of Credit may be issued), (ii) each documentary Letter of Credit shall be governed by the Uniform Customs and Practices for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600 (or such later revision as may be published by the International Chamber of Commerce on any date any Letter of Credit may be issued) and (iii) the Borrower shall specify the foregoing in each letter of credit application submitted for the issuance of a Letter of Credit.

**Section 2.23 Increase of Commitments; Additional Lenders.**

(a) From time to time after the Restatement Date and in accordance with this Section, the Borrower and one or more Increasing Lenders or Additional Lenders (each as defined below) may enter into an agreement to increase the aggregate Revolving Commitments (an "Incremental Revolving Commitment") and/or make term loan commitments hereunder (an "Incremental Term Loan Commitment"; together with the Incremental Revolving Commitment, the "Incremental Commitments") so long as the following conditions are satisfied:

(i) (A) unless otherwise agreed by the Administrative Agent, each Incremental Commitment pursuant to this Section shall be in an amount not less than \$10,000,000, and (B) the aggregate principal amount of all such Incremental Commitments made pursuant to this Section shall not exceed an aggregate amount equal to the Maximum Incremental Commitment Amount;

(ii) the Borrower shall execute and deliver such documents and instruments and take such other actions as may be reasonably required by the Administrative Agent in connection with and at the time of any such proposed increase;

(iii) at the time of and immediately after giving effect to any such proposed increase no Default or Event of Default shall exist or, in the case of any Incremental Term Loan Commitment established to finance a Limited Condition Transaction, no Event of Default under Sections 8.1(h) or 8.1(i) exists or would result from such Limited Condition Transaction; provided, that, in the case of any Incremental Term Loan Commitment established to finance a Limited Condition Transaction, the date of determination of whether the condition in this clause (iii) has been satisfied shall, at the option of the Borrower, be the LCT Test Date for such Limited Condition Transaction;

(iv) all representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties shall be true and correct in all respects); provided that, in the case of any Incremental Term Loan Commitment established to finance a Limited Condition Transaction, such representations and warranties may be limited to customary "SunGard" specified representations;

(v) any incremental term loans made pursuant to this Section (the "Incremental Term Loans") shall have a maturity date no earlier than the Maturity Date;



(vi) any Incremental Revolving Commitments provided pursuant to this Section shall have the same terms and conditions as the existing Revolving Commitments hereunder, including, without limitation, the Revolving Commitment Termination Date and Applicable Margin;

(vii) Parent and its Subsidiaries shall be in compliance with the financial covenant set forth in Article VI as of the last day of the most recently ended four Fiscal Quarter period for which financial statements are required to have been delivered pursuant to Section 5.1(a) or (b), calculated on a Pro Forma Basis and as if all such Incremental Term Loans had been made and all such Incremental Revolving Commitments had been established (and fully funded) as of the first day of the relevant period for testing compliance (but calculated without including the cash proceeds of any such Incremental Term Loans or Incremental Revolving Commitments in the amount of unrestricted cash and Cash Equivalents to be netted in the calculation of Consolidated Total Net Leverage Ratio); provided, that, (a) in the case of any Incremental Commitments established to finance a Material Acquisition, the Consolidated Total Net Leverage Ratio may be 0.50 greater than the otherwise applicable covenant level set forth in Article VI and (b) in the case of any Incremental Term Loan Commitment established to finance a Limited Condition Transaction, the date of determination of whether the condition in this clause (vii) has been satisfied shall, at the option of the Borrower, be the LCT Test Date for such Limited Condition Transaction;

(viii) any collateral securing any such Incremental Commitments and Incremental Term Loans shall also secure all other Obligations on a *pari passu* basis;

(ix) the scheduled amortization installments with respect to any Incremental Term Loans may not be more frequent than quarterly and the aggregate annual amount of scheduled amortization with respect to any Incremental Term Loans may not exceed 10% of the original principal amount of such Incremental Term Loans (it being understood that, subject to this clause (viii), the amortization schedule applicable to (and the effect thereon of any prepayments of) any Incremental Term Loans shall be determined by the Borrower and the applicable Increasing Lenders;

(x) covenants and events of default applicable to any Incremental Term Loan commitments or Incremental Term Loan shall be identical to those applicable to the Revolving Commitments and the Revolving Loans, other than any such covenants and events of default applicable after the Maturity Date in effect on the date of incurrence of such Incremental Term Loans; and

(xi) except for the terms referred to above and otherwise subject to this Section 2.23, to the extent the terms and conditions of any Incremental Term Loans (other than interest rates (whether fixed or floating), interest margins, benchmark rate floors, upfront fees, original issue discounts and prepayment terms (including “no call” terms and other restrictions thereon) and premiums) are not consistent with those of the Revolving Loans, such differences shall be acceptable to the Administrative Agent (such acceptance not to be unreasonably withheld or delayed).

(b) The Borrower shall provide at least 30 days’ written notice to the Administrative Agent (who shall promptly provide a copy of such notice to each Lender) of any proposal to establish an Incremental Commitment. The Borrower may also, but is not required to, specify any fees offered to those Lenders (the “Increasing Lenders”) that agree to increase the principal amount of their Revolving Commitments and/or provide Incremental Term Loans, which fees may be variable based upon the amount by which any such Lender is willing to increase the principal amount of its Revolving Commitment and/or provide Incremental Term Loans, as applicable. Each Increasing Lender shall as soon as practicable, and in any case within 15 days following receipt of such notice, specify in a written notice to the Borrower and the Administrative Agent the amount of such proposed Incremental Commitment and/or Incremental Term Loans that it is willing to provide. No Lender (or any successor thereto) shall have any obligation, express or implied, to offer to increase the aggregate principal amount of its Revolving Commitment and/or provide Incremental Term Loans, and any decision by a Lender to increase its Revolving Commitment and/or provide Incremental Term Loans shall be made in its sole discretion independently from any other Lender. Only the consent of each Increasing Lender shall be required for an increase in the aggregate principal amount of the Revolving Commitments and/or the providing of Incremental Term Loans, as applicable, pursuant to this Section. No Lender which declines to increase the principal amount of its Revolving Commitment and/or provide Incremental Term Loans may be replaced with respect to its existing Revolving Commitment and/or any existing Incremental Term Loans, as applicable, as a result thereof without such Lender’s consent. If any Lender shall fail to notify the Borrower and the Administrative Agent in writing about whether it will increase its Revolving Commitment and/or provide Incremental Term Loans within 15 days after receipt of such notice, such Lender shall be deemed to have declined to increase its Revolving Commitment and/or provide Incremental Term Loans, as applicable. The Borrower may designate new lenders that are acceptable to the Administrative Agent (such approval not

to be unreasonably withheld) as additional Lenders hereunder in accordance with this Section (the “ Additional Lenders ”), which Additional Lenders may assume all or a portion of such Incremental Commitment; provided, that none of Parent, its Subsidiaries, or its Affiliates shall be an Additional Lender. The Borrower and the Administrative Agent shall have discretion jointly to adjust the allocation of such Incremental Revolving Commitments and/or such Incremental Term Loans among the Increasing Lenders and the Additional Lenders. The sum of the increase in the Revolving Commitments and the Incremental Term Loans of the Increasing Lenders plus the Revolving Commitments and the Incremental Term Loans of the Additional Lenders shall not in the aggregate exceed the unsubscribed amount of the Maximum Incremental Commitment Amount.

(c) Subject to subsections (a) and (b) of this Section, any increase requested by the Borrower shall be effective upon delivery to the Administrative Agent of each of the following documents:

(i) an originally executed copy of an instrument of joinder, in form and substance reasonably acceptable to the Administrative Agent, executed by the Borrower, by each Additional Lender and by each Increasing Lender, setting forth the new Revolving Commitments and/or new Incremental Term Loan commitments, as applicable, of such Lenders, the new outstanding LC Commitment (if applicable), and setting forth the agreement of each Additional Lender to become a party to this Agreement and to be bound by all of the terms and provisions hereof;

(ii) such evidence of appropriate corporate authorization on the part of the Borrower with respect to such Incremental Commitment and such opinions of counsel for the Borrower with respect to such Incremental Commitment as the Administrative Agent may reasonably request;

(iii) a certificate of the Borrower signed by a Responsible Officer, in form and substance reasonably acceptable to the Administrative Agent, certifying that each of the conditions in subsection (a) of this Section has been satisfied;

(iv) to the extent requested by any Additional Lender or any Increasing Lender, executed promissory notes evidencing such Incremental Revolving Commitments and/or such Incremental Term Loans, issued by the Borrower in accordance with Section 2.10; and

(v) any other certificates or documents that the Administrative Agent shall reasonably request, in form and substance reasonably satisfactory to the Administrative Agent.

Upon the effectiveness of any such Incremental Commitment, the Commitments and Pro Rata Share of each Lender will be adjusted to give effect to the Incremental Revolving Commitments and/or the Incremental Term Loans, as applicable, the LC Commitment will be increased automatically (if applicable), and Schedule II shall automatically be deemed amended accordingly.

(d) All terms of the initial Incremental Term Loan advanced hereunder and any other Incremental Term Loans that are different from the terms outstanding under the Credit Agreement immediately prior to the incurrence of such Incremental Term Loans (any such initial Incremental Term Loan and other Incremental Term Loans, the “ Non-Conforming Credit Extensions ”) shall be as set forth in a separate assumption agreement among the Borrower, the Lenders providing such Incremental Term Loans and the Administrative Agent, the execution and delivery of which agreement shall be a condition to the effectiveness of the Non-Conforming Credit Extensions. The scheduled principal payments on any existing Incremental Term Loans shall be ratably increased after the making of any new Incremental Term Loans (other than Incremental Term Loans that are Non-Conforming Credit Extensions) under this Section by the aggregate principal amount of such Incremental Term Loans. After the incurrence of any Non-Conforming Credit Extensions, all optional prepayments of Incremental Term Loans shall be allocated ratably between the then-outstanding Incremental Term Loans and such Non-Conforming Credit Extensions. Notwithstanding anything to the contrary in Section 10.2, the Administrative Agent is expressly permitted to amend the Loan Documents to the extent necessary to give effect to any increase pursuant to this Section and mechanical changes necessary or advisable in connection therewith (including amendments to (i) implement the requirements in the preceding two sentences, (ii) ensure *pro rata* allocations of Eurodollar Loans and Base Rate Loans between Loans incurred pursuant to this Section and Loans outstanding immediately prior to any such incurrence, (iii) provide optional and mandatory prepayments for any Incremental Term Loans, and (iv) reflect any maturity date after the Maturity Date (including, without limitation, amendments to any provisions of this Credit Agreement affected by such later maturity date)).

**Section 2.24**                    **Mitigation of Obligations**. If any Lender requests compensation under Section 2.18, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.20, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the sole judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable under Section 2.18 or Section 2.20, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all costs and expenses incurred by any Lender in connection with such designation or assignment.

**Section 2.25**                    **Replacement of Lenders**. If (a) any Lender requests compensation under Section 2.18, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.20, (b) any Lender is a Defaulting Lender, or (c) in connection with any proposed amendment, modification, termination, waiver or consent with respect to any of the provisions hereof as contemplated by Section 10.2(b), the consent of Required Lenders shall have been obtained but the consent of one or more of such other Lenders (each a “Non-Consenting Lender”) whose consent is required shall not have been obtained, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions set forth in Section 10.4(b)), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.18 or 2.20, as applicable) and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender) (a “Replacement Lender”); **provided** that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not be unreasonably withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal amount of all Loans owed to it, accrued interest thereon, accrued fees and all other amounts payable to it hereunder from the assignee (in the case of such outstanding principal and accrued interest) and from the Borrower (in the case of all other amounts), (iii) in the case of a claim for compensation under Section 2.18 or payments required to be made pursuant to Section 2.20, such assignment will result in a reduction in such compensation or payments, and (iv) in the case of a Non-Consenting Lender, each Replacement Lender shall consent, at the time of such assignment, to each matter in respect of which such terminated Lender was a Non-Consenting Lender. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

**Section 2.26**                    **Defaulting Lenders**.

(a)                    **Cash Collateral**.

(i)                    At any time that there shall exist a Defaulting Lender, within one Business Day following the written request of the Administrative Agent or the Issuing Bank (with a copy to the Administrative Agent) the Borrower shall Cash Collateralize the Issuing Bank’s LC Exposure with respect to such Defaulting Lender (determined after giving effect to Section 2.26(b)(iv) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than 105% of the Issuing Bank’s LC Exposure with respect to such Defaulting Lender.

(ii)                    The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Administrative Agent, for the benefit of the Issuing Bank, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lenders’ obligation to fund participations in respect of Letters of Credit, to be applied pursuant to clause (iii) below. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the Issuing Bank as herein provided, or that the total amount of such Cash Collateral is less than the minimum amount required pursuant to clause (i) above, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(iii)                    Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 2.26(a) or Section 2.26(b) in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender’s obligation to fund participations in respect of Letters of Credit or LC Disbursements (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(iv)                    Cash Collateral (or the appropriate portion thereof) provided to reduce any Issuing Bank’s LC Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 2.26(a)

following (A) the elimination of the applicable LC Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (ii) the determination by the Administrative Agent and the Issuing Bank that there exists excess Cash Collateral; provided that, subject to Section 2.26(b) through (d) the Person providing Cash Collateral and each Issuing Bank may agree that Cash Collateral shall be held to support future anticipated LC Exposure or other obligations and provided further that to the extent that such Cash Collateral was provided by the Borrower, such Cash Collateral shall remain subject to the security interest granted pursuant to the Loan Documents.

(b) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and in Section 10.2.

(ii) Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 10.7 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Bank or Swingline Lender hereunder; third, to Cash Collateralize the Issuing Bank's LC Exposure with respect to such Defaulting Lender in accordance with Section 2.26(a); fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Issuing Banks' future LC Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.26(a); sixth, to the payment of any amounts owing to the Lenders, the Issuing Bank or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Bank or Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or LC Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 3.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and LC Disbursements owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swingline Loans are held by the Lenders pro rata in accordance with the Commitments under the applicable Facility without giving effect to sub-section (iv) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.26(b)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) (A) No Defaulting Lender shall be entitled to receive any commitment fee pursuant to Section 2.14(b) for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(B) Each Defaulting Lender shall be entitled to receive letter of credit fees pursuant to Section 2.14(c) for any period during which that Lender is a Defaulting Lender only to the extent allocable to that portion of its LC Exposure for which it has provided Cash Collateral pursuant to Section 2.26(a).

(C) With respect to any commitment fee or letter of credit fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting

Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letters of Credit or Swingline Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to each Issuing Bank and Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Bank's LC Exposure or Swingline Lender's Swingline Exposure with respect to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) All or any part of such Defaulting Lender's participation in Letters of Credit and Swingline Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Pro Rata Shares of the Revolving Commitments (calculated without regard to such Defaulting Lender's Revolving Commitment) but only to the extent that (x) the conditions set forth in Section 3.2 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Commitment. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, (x) first, prepay Swingline Loans in an amount equal to the Swingline Lender's Swingline Exposure with respect to such Defaulting Lender and (y) second, Cash Collateralize the Issuing Banks' LC Exposure with respect to such Defaulting Lender in accordance with the procedures set forth in Section 2.26(a).

(c) Defaulting Lender Cure. If the Borrower, the Administrative Agent, Swingline Lender and Issuing Bank agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held pro rata by the Lenders in accordance with the applicable Commitments (without giving effect to Section 2.26(b)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(d) New Swingline Loans/Letters of Credit. So long as any Lender is a Defaulting Lender, (i) the Swingline Lender shall not be required to fund any Swingline Loans unless it is satisfied that it will have no Swingline Exposure after giving effect to such Swingline Loan and (ii) no Issuing Bank shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no LC Exposure after giving effect thereto.

### ARTICLE III

#### CONDITIONS PRECEDENT TO LOANS AND LETTERS OF CREDIT

**Section 3.1** Conditions to Effectiveness. The obligations of the Lenders (including the Swingline Lender) to make Loans and the obligation of the Issuing Bank to issue any Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.2):

(a) The Administrative Agent shall have received payment of all fees, expenses and other amounts due and payable on or prior to the Restatement Date for which invoices have been presented, including, without limitation, reimbursement or payment of all out-of-pocket expenses of the Administrative Agent, the Sole Arranger and their respective Affiliates (including reasonable fees, charges and disbursements of counsel to the Administrative Agent) required to be reimbursed or paid by the Borrower hereunder, under any other Loan Document and under any agreement with the Administrative Agent or the Sole Arranger.

(b) The Administrative Agent (or its counsel) shall have received the following, each to be in form and substance reasonably satisfactory to the Administrative Agent:

- (i) a counterpart of this Agreement signed by or on behalf of each party hereto;
- (ii) a certificate dated as of the Restatement Date of the Secretary or Assistant Secretary of each Loan Party, attaching and certifying copies of its bylaws, or partnership agreement or limited liability company agreement, and of the resolutions of its board of directors or other equivalent governing body, or comparable organizational documents and authorizations, authorizing the execution, delivery and performance of the Loan Documents to which it is a party and certifying the name, title and true signature of each officer of such Loan Party executing the Loan Documents to which it is a party;
- (iii) certified copies of the articles or certificate of incorporation, certificate of organization or limited partnership, or other registered organizational documents of each Loan Party, together with certificates of good standing or existence, as may be available from the Secretary of State of the jurisdiction of organization of such Loan Party and each other jurisdiction where such Loan Party is required to be qualified to do business as a foreign corporation where the failure to be so qualified would reasonably be expected to have a Material Adverse Effect;
- (iv) a written opinion dated as of the Restatement Date from Sheppard, Mullin, Richter & Hampton LLP, counsel to the Loan Parties, and, if reasonably requested by the Administrative Agent, customary local counsel opinions with respect to the Loan Parties, addressed to the Administrative Agent, the Issuing Bank and each of the Lenders, and covering such matters relating to the Loan Parties, the Loan Documents and the transactions contemplated therein as the Administrative Agent or the Required Lenders shall reasonably request;
- (v) a certificate dated the Restatement Date and signed by a Responsible Officer, certifying that after giving effect to the funding of the initial Revolving Borrowing, (A) no Default or Event of Default exists and (B) all representations and warranties of each Loan Party set forth in the Loan Documents are true and correct;
- (vi) a duly executed Notice of Borrowing for any initial Revolving Borrowing, together with, if applicable, a report setting forth the sources and uses of the proceeds thereof;
- (vii) certified copies of all consents, approvals, authorizations, registrations and filings and orders required or advisable to be made or obtained under any Requirement of Law, or by any Contractual Obligation of any Loan Party in connection with the execution, delivery, performance, validity and enforceability of the Loan Documents or any of the transactions contemplated thereby, and such consents, approvals, authorizations, registrations, filings and orders shall be in full force and effect and all applicable waiting periods shall have expired, and no investigation or inquiry by any governmental authority regarding the Commitments or any transaction being financed with the proceeds thereof shall be ongoing;
- (viii) copies of (A) the internally prepared financial statements of Parent and its Subsidiaries on a consolidated basis for the Fiscal Quarter ended September 30, 2017, and (B) the audited consolidated financial statements for Parent and its Subsidiaries for the Fiscal Years ended December 31, 2014, December 31, 2015, and December 31, 2016;
- (ix) a certificate, dated the Restatement Date and signed by the chief financial officer of Parent, confirming that Parent and its Subsidiaries on a consolidated basis are Solvent before and after giving effect to the funding of the initial Revolving Borrowing and the consummation of the transactions contemplated to occur on the Restatement Date;
- (x) the Guaranty and Security Agreement duly executed by each party thereto, together with (A) UCC financing statements and other applicable documents under the laws of all necessary or appropriate jurisdictions with respect to the perfection of the Liens granted under the Collateral Documents, as requested by the Administrative Agent in order to perfect such Liens, duly authorized by the Loan Parties, (B) copies of favorable UCC, tax, and judgment lien search reports in all necessary or appropriate jurisdictions and under all legal and trade names of the Loan Parties as requested by the Administrative Agent, indicating that there are no prior Liens on any of the Collateral other than Permitted Encumbrances and Liens to be released on the Restatement Date, (C) an Information and Collateral Disclosure Certificate, dated as of the Restatement Date and duly completed and executed by the Loan Parties, (D) duly executed Patent Security Agreements, Trademark Security Agreements and Copyright Security Agreements, if applicable, (E) to the extent not delivered before the Restatement Date, original certificates evidencing all issued and outstanding shares of Capital Stock of all Subsidiaries, owned directly by any Loan Party (or, if the pledge of all of the voting Capital Stock of any Foreign

Confidential portions of this document have been redacted and filed separately with the Commission.

Subsidiary would result in materially adverse tax consequences, limited to 66% of the issued and outstanding voting Capital Stock of such Foreign Subsidiary and 100% of the issued and outstanding non-voting Capital Stock of such Foreign Subsidiary, as applicable), and (F) to the extent not delivered before the Restatement Date, stock or membership interest powers or other appropriate instruments of transfer executed in blank;

(xi) to the extent not delivered before the Restatement Date, Account Control Agreements required by Section 5.11, duly executed by each Permitted Third Party Bank and the applicable Loan Party;

(xii) certificates of insurance, in form and detail reasonably acceptable to the Administrative Agent, describing the types and amounts of insurance (property and liability) maintained by any of the Loan Parties, in each case naming the Administrative Agent as loss payee or additional insured, as the case may be, together with a lender's loss payable endorsement and additional insured endorsement in form and substance reasonably satisfactory to the Administrative Agent;

(xiii) documentation and information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, at least five (5) Business Days prior to the Restatement Date to the extent that such documentation and information was requested by Administrative Agent at least ten (10) Business Days prior to the Restatement Date; and

(xiv) all certificates and other documentation required by Section 2.20 to be delivered by each Lender as of the Restatement Date.

(c) The Lenders shall have completed, to their satisfaction, all business, financial, collateral, regulatory and legal due diligence with respect to the Loan Parties and the Subsidiaries.

Without limiting the generality of the provisions of this Section 3.1, for purposes of determining compliance with the conditions specified in this Section 3.1, the Administrative Agent and each Lender that has signed this Agreement shall be deemed to have (i) consented to, approved of, accepted or been satisfied with each document or other matter required thereunder to be consented to, approved by or acceptable or satisfactory to the Administrative Agent and/or a Lender and (ii) consented to the replacement of its Loans (as defined in and under the Existing Credit Agreement) with the Loans hereunder, in each case, by means of a "cashless roll" by such Lender pursuant to settlement mechanisms approved by the Administrative Agent and such replacements shall be deemed to comply with any requirement hereunder or any other Loan Document that such payment be made "in Dollars", "in immediately available funds", "in cash" or any other similar requirement, in each case, unless the Administrative Agent shall have received notice from such Lender prior to the proposed Restatement Date specifying its objection thereto.

**Section 3.2** Conditions to Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing and of the Issuing Bank to issue, amend, renew or extend any Letter of Credit is subject to Section 2.26(c) and the satisfaction of the following conditions:

(a) at the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall exist; provided that, with respect to Incremental Term Loans being incurred in connection with a Limited Condition Transaction, this clause (a) shall be subject to the terms of Section 1.5;

(b) except with respect to Incremental Term Loans being incurred in connection with a Limited Condition Transaction, at the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, all representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties shall be true and correct in all respects); and

(c) the Borrower shall have delivered the required Notice of Borrowing.

Each Borrowing and each issuance, amendment, renewal or extension of any Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in subsections (a) and (b) of this Section.

**Section 3.3** Delivery of Documents. All of the Loan Documents, certificates, legal opinions and other documents and papers referred to in this Article, unless otherwise specified, shall be delivered to the Administrative Agent for the account of each of the Lenders and in sufficient counterparts or copies for each of the Lenders and shall be in form and substance reasonably satisfactory in all respects to the Administrative Agent.

## ARTICLE IV

### REPRESENTATIONS AND WARRANTIES

Parent and the Borrower represent and warrant to the Administrative Agent, each Lender and the Issuing Bank as follows:

**Section 4.1**                    **Existence; Power**. Each of Parent, the Borrower and each of their respective Subsidiaries (i) is duly organized, validly existing and in good standing as a corporation, partnership or limited liability company under the laws of the jurisdiction of its organization, (ii) has all requisite power and authority to carry on its business as now conducted, and (iii) is duly qualified to do business, and is in good standing, in each jurisdiction where such qualification is required, except where a failure to be so qualified would not reasonably be expected to result in a Material Adverse Effect.

**Section 4.2**                    **Organizational Power; Authorization**. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party are within such Loan Party's organizational powers and have been duly authorized by all necessary organizational and, if required, shareholder, partner or member action. This Agreement has been duly executed and delivered by Parent and the Borrower and constitutes, and each other Loan Document to which any Loan Party is a party, when executed and delivered by such Loan Party, will constitute, valid and binding obligations of Parent, the Borrower or such Loan Party (as the case may be), enforceable against it in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

**Section 4.3**                    **Governmental Approvals; No Conflicts**. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party (a) do not require any consent or approval of, registration or filing with, or any action by, any Governmental Authority or any Person with respect to which any Loan Party or any of its Subsidiaries has any Contractual Obligation, except those as have been obtained or made and are in full force and effect and except for filings necessary to perfect or maintain perfection of the Liens created under the Loan Documents, (b) will not violate any Requirement of Law applicable to Parent, the Borrower or any of their respective Subsidiaries or any judgment, order or ruling of any Governmental Authority, (c) will not violate or result in a default under any Contractual Obligation of Parent, the Borrower or any of their respective Subsidiaries or any of their assets or give rise to a right thereunder to require any payment to be made by Parent, the Borrower or any of their respective Subsidiaries and (d) will not result in the creation or imposition of any Lien on any asset of Parent, the Borrower or any of their respective Subsidiaries, except Liens (if any) created under the Loan Documents.

**Section 4.4**                    **Financial Statements; Absence of Material Adverse Effect**. The Borrower has furnished to each Lender (i) the audited consolidated balance sheet of Parent and its Subsidiaries as of December 31, 2016, and the related audited consolidated statements of income, shareholders' equity and cash flows for the Fiscal Year then ended, prepared by PricewaterhouseCoopers LLP and (ii) the unaudited consolidated balance sheet of the Parent and its Subsidiaries as of September 30, 2017, and the related unaudited consolidated statements of income and cash flows for the Fiscal Quarter and year to date period then ended, certified by a Responsible Officer. Such financial statements fairly present the consolidated financial condition of Parent and its Subsidiaries as of such dates and the consolidated results of operations for such periods in conformity with GAAP consistently applied, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii). Since December 31, 2016, there have been no changes with respect to Parent and its Subsidiaries which have had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

**Section 4.5**                    **Litigation and Environmental Matters**.

(a)                    No litigation, investigation or proceeding of or before any arbitrators or Governmental Authorities is pending against or, to the knowledge of Parent or the Borrower, threatened against or affecting Parent, the Borrower or any of their respective Subsidiaries (i) that would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect or (ii) which in any manner draws into question the validity or enforceability of this Agreement or any other Loan Document.

(b)                    Except for the matters set forth on Schedule 4.5, none of Parent, the Borrower nor any of their respective Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability, in each case, which would reasonably be expected to result in a Material Adverse Effect.

**Section 4.6**                    **Compliance with Laws and Agreements**. Each of Parent, the Borrower and each of their respective Subsidiaries is in compliance with (a) all Requirements of Law and all judgments, decrees and orders of any Governmental



Authority and (b) all indentures, agreements, instruments or other Contractual Obligations binding upon it or its properties, except where non-compliance, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

**Section 4.7** **Investment Company Act; Other Regulatory Schemes**. None of Parent, the Borrower nor any of their respective Subsidiaries is (a) an “investment company” or is “controlled” by an “investment company”, as such terms are defined in, or subject to regulation under, the Investment Company Act of 1940, as amended and in effect from time to time, or (b) otherwise subject to any other regulatory scheme which prohibits the incurrence of Indebtedness.

**Section 4.8** **Taxes**. Parent, the Borrower and their respective Subsidiaries and each other Person for whose taxes Parent, the Borrower or any of their respective Subsidiaries could become liable have timely filed or caused to be filed all Federal income tax returns and all other material tax returns that are required to be filed by them, and have paid all taxes shown to be due and payable on such returns or on any assessments made against them or their property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority, except where the same are currently being contested in good faith by appropriate proceedings and for which Parent, the Borrower or such Subsidiary, as the case may be, has set aside on its books adequate reserves in accordance with GAAP. The charges, accruals and reserves on the books of Parent, the Borrower and their respective Subsidiaries in respect of such taxes are adequate, and no tax liabilities that could be materially in excess of the amount so provided are anticipated.

**Section 4.9** **Margin Regulations**. None of the proceeds of any of the Loans or Letters of Credit will be used, directly or indirectly, for “purchasing” or “carrying” any “margin stock” within the respective meanings of each of such terms under Regulation U or for any purpose that violates the provisions of Regulation T, Regulation U or Regulation X. None of Parent, the Borrower nor any of their respective Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying “margin stock”.

**Section 4.10** **ERISA**. Each Plan is in substantial compliance in form and operation with its terms and with ERISA and the Code (including, without limitation, the Code provisions compliance with which is necessary for any intended favorable tax treatment) and all other applicable laws and regulations. Each Plan (and each related trust, if any) which is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service to the effect that it meets the requirements of Sections 401(a) and 501(a) of the Code covering all applicable tax law changes, or is comprised of a master or prototype plan that has received a favorable opinion letter from the Internal Revenue Service, and nothing has occurred since the date of such determination that would adversely affect such determination (or, in the case of a Plan with no determination, nothing has occurred that would adversely affect the issuance of a favorable determination letter or otherwise adversely affect such qualification). No ERISA Event has occurred or is reasonably expected to occur. There exists no Unfunded Pension Liability with respect to any Plan. None of Parent, the Borrower, any of their respective Subsidiaries or any ERISA Affiliate is making or accruing an obligation to make contributions, or has, within any of the five calendar years immediately preceding the date this assurance is given or deemed given, made or accrued an obligation to make, contributions to any Multiemployer Plan. There are no actions, suits or claims pending against or involving a Plan (other than routine claims for benefits) or, to the knowledge of Parent, the Borrower, any of their respective Subsidiaries or any ERISA Affiliate, threatened, which would reasonably be expected to be asserted successfully against any Plan and, if so asserted successfully, would reasonably be expected either singly or in the aggregate to result in liability to the Parent, the Borrower or any of their respective Subsidiaries. Parent, the Borrower, each of their respective Subsidiaries and each ERISA Affiliate have made all contributions to or under each Plan and Multiemployer Plan required by law within the applicable time limits prescribed thereby, by the terms of such Plan or Multiemployer Plan, respectively, or by any contract or agreement requiring contributions to a Plan or Multiemployer Plan. No Plan which is subject to Section 412 of the Code or Section 302 of ERISA has applied for or received an extension of any amortization period within the meaning of Section 412 of the Code or Section 303 or 304 of ERISA. None of Parent, the Borrower, any of their respective Subsidiaries or any ERISA Affiliate have ceased operations at a facility so as to become subject to the provisions of Section 4068(a) of ERISA, withdrawn as a substantial employer so as to become subject to the provisions of Section 4063 of ERISA or ceased making contributions to any Plan subject to Section 4064(a) of ERISA to which it made contributions. Each Non-U.S. Plan has been maintained in compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities, except as would not reasonably be expected to result in liability to Parent, the Borrower or any of their respective Subsidiaries. All contributions required to be made with respect to a Non-U.S. Plan have been timely made. None of Parent, the Borrower nor any of their respective Subsidiaries has incurred any obligation in connection with the termination of, or withdrawal from, any Non-U.S. Plan. The present value of the accrued benefit liabilities (whether or not vested) under each Non-U.S. Plan, determined as of the end of the Borrower’s most recently ended fiscal year on the basis of reasonable actuarial assumptions, did not exceed the current value of the assets of such Non-U.S. Plan allocable to such benefit liabilities.

**Section 4.11** **Ownership of Property; Insurance**.

(a) Each of Parent, the Borrower and their respective Subsidiaries has good title to, or valid leasehold interests in, all of its real and personal property material to the operation of its business, including all such properties reflected in the most recent audited consolidated balance sheet of the Borrower referred to in Section 4.4 or purported to have been acquired by Parent, the Borrower or any of their respective Subsidiaries after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement. All leases that individually or in the aggregate are material to the business or operations of Parent, the Borrower and their respective Subsidiaries are valid and subsisting and are in full force.

(b) Each of Parent, the Borrower and their respective Subsidiaries owns, or is licensed or otherwise has the right to use, all patents, trademarks, service marks, trade names, copyrights and other intellectual property material to its business, and, to the knowledge of Parent and its Subsidiaries, the use thereof by Parent, the Borrower and their respective Subsidiaries does not infringe in any material respect on the rights of any other Person.

(c) The properties of Parent, the Borrower and their respective Subsidiaries are insured in the manner required by this Agreement.

(d) As of the Restatement Date, none of Parent, the Borrower nor any of their respective Subsidiaries owns any Real Estate except as set forth on Schedule 2 of the Information and Collateral Disclosure Certificate delivered pursuant to Section 3.1(b) hereof.

**Section 4.12** Disclosure. As of the Restatement Date, each of Parent and the Borrower has disclosed to the Lenders all agreements, instruments, and corporate or other restrictions to which Parent, the Borrower or any of their respective Subsidiaries is subject, and all other matters known to any of them, that, either individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. None of the reports (including, without limitation, all reports that Parent, the Borrower or any of their respective Subsidiaries is required to file with the Securities and Exchange Commission), financial statements, certificates or other information furnished by or on behalf of Parent, the Borrower or any of their respective Subsidiaries to the Administrative Agent or any Lender in connection with the negotiation or syndication of this Agreement or any other Loan Document or delivered hereunder or thereunder (as modified or supplemented by any other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, taken as a whole in light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, Parent, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

**Section 4.13** Labor Relations. There are no strikes, lockouts or other material labor disputes or grievances against Parent, the Borrower or any of their respective Subsidiaries, or, to Parent, the Borrower's knowledge, threatened against or affecting Parent, the Borrower or any of their respective Subsidiaries, and no significant unfair labor practice charges or grievances are pending against Parent, the Borrower or any of their respective Subsidiaries, or, to Parent' or the Borrower's knowledge, threatened against any of them before any Governmental Authority. All payments due from the Borrower or any of its Subsidiaries pursuant to the provisions of any collective bargaining agreement have been paid or accrued as a liability on the books of the Parent, the Borrower or any such Subsidiary, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

**Section 4.14** Subsidiaries.

(a) Schedule 4.14 sets forth the name of, the ownership interest of the applicable Loan Party in, the jurisdiction of incorporation or organization of, and the type of each Subsidiary of any Loan Party and identifies each Subsidiary that is a Subsidiary Loan Party, in each case as of the Restatement Date.

(b) Parent has no direct Subsidiaries other than the Borrower.

**Section 4.15** Solvency. After giving effect to the execution and delivery of the Loan Documents, the making of any Loan under this Agreement and the consummation of the other transactions contemplated hereby, Parent and its Subsidiaries on a consolidated basis are Solvent.

**Section 4.16** Deposit and Disbursement Accounts. Schedule 4.16 lists all banks and other financial institutions at which any Loan Party maintains deposit accounts, lockbox accounts, disbursement accounts, investment accounts or other similar accounts as of the Restatement Date, and such Schedule correctly identifies the name, address and telephone number of each financial institution, the name in which the account is held, the type of the account, and the complete account number therefor.

**Section 4.17** Collateral Documents.

(a) The Guaranty and Security Agreement and each other Collateral Document is effective to create in favor of the Administrative Agent for the ratable benefit of the Secured Parties a legal, valid and enforceable security interest in the Collateral (as defined therein), and when UCC financing statements in appropriate form are filed in the offices specified on Schedule 3 to the Guaranty and Security Agreement, the Guaranty and Security Agreement shall constitute a fully perfected Lien (to the extent that such Lien may be perfected by the filing of a UCC financing statement) on, and security interest in, all right, title and interest of the grantors thereunder in such Collateral, in each case prior and superior in right to any other Person, other than with respect to Liens expressly permitted by Section 7.2. When the certificates evidencing all Capital Stock pledged pursuant to the Collateral Documents are delivered to the Administrative Agent, together with appropriate stock powers or other similar instruments of transfer duly executed in blank, the Liens in such Capital Stock shall be fully perfected first priority security interests, perfected by “control” as defined in the UCC.

(b) When the filings in subsection (a) of this Section are made and when, if applicable, the Patent Security Agreements and the Trademark Security Agreements are filed in the United States Patent and Trademark Office and the Copyright Security Agreements are filed in the United States Copyright Office, the Guaranty and Security Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Patents, Trademarks and Copyrights, if any, in which a security interest may be perfected by filing, recording or registering a security agreement, financing statement or analogous document in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, in each case prior and superior in right to any other Person.

**Section 4.18** **Sanctions and Anti-Corruption Laws** .

(a) None of the Parent, the Borrower, or any of their respective Subsidiaries or any of their respective directors, officers, employees, or agents is a Sanctioned Person.

(b) The Parent, its Subsidiaries, and their respective directors, officers and employees and, to the knowledge of the Borrower, the agents of the Parent and its Subsidiaries, are in compliance with applicable Anti-Corruption Laws and applicable Sanctions. The Parent and its Subsidiaries have instituted and maintain policies and procedures designed to ensure continued compliance in all material respects therewith.

**Section 4.19** **EEA Financial Institutions** . No Loan Party is an EEA Financial Institution.

**ARTICLE V**

**AFFIRMATIVE COVENANTS**

Parent and the Borrower covenant and agree that so long as any Lender has a Commitment hereunder or any Obligation remains unpaid or outstanding:

**Section 5.1** **Financial Statements and Other Information** . Parent and the Borrower will deliver to the Administrative Agent and each Lender:

(a) as soon as available and in any event within 90 days after the end of each Fiscal Year of Parent, a copy of the annual audited report for such Fiscal Year for Parent and its Subsidiaries, containing a consolidated balance sheet of Parent and its Subsidiaries as of the end of such Fiscal Year and the related consolidated statements of income, stockholders’ equity and cash flows (together with all footnotes thereto) of Parent and its Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and reported on by PricewaterhouseCoopers LLP or, if such auditors are no longer used by Parent, from independent public accountants of nationally recognized standing (without a “going concern” or like qualification, exception or explanation and without any qualification or exception as to the scope of such audit) to the effect that such financial statements present fairly in all material respects the financial condition and the results of operations of Parent and its Subsidiaries for such Fiscal Year on a consolidated basis in accordance with GAAP and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(b) as soon as available and in any event within 45 days after the end of each Fiscal Quarter of Parent ending on or about March 31, June 30, and September 30, an unaudited consolidated balance sheet of Parent and its Subsidiaries as of the end of such Fiscal Quarter and the related unaudited consolidated statements of income and cash flows of Parent and its Subsidiaries for such Fiscal Quarter and the then elapsed portion of such Fiscal Year, setting forth in each case in comparative form the figures for the corresponding Fiscal Quarter and the corresponding portion of Parent’

or the Borrower's, as applicable, previous Fiscal Year and the corresponding figures for the budget for the current Fiscal Year, and together with a management discussion and analysis with respect thereto;

(c) concurrently with the delivery of the financial statements referred to in subsections (a) and (b) of this Section, a Compliance Certificate signed by the principal executive officer or a Financial Officer of Parent (i) certifying as to whether there exists a Default or Event of Default on the date of such certificate and, if a Default or an Event of Default then exists, specifying the details thereof and the action which Parent and its Subsidiaries have taken or propose to take with respect thereto, (ii) setting forth in reasonable detail calculations demonstrating compliance with the financial covenant set forth in Article VI, (iii) specifying any change in the identity of the Subsidiaries as of the end of such Fiscal Year or Fiscal Quarter from the Subsidiaries identified to the Lenders on the Restatement Date or as of the most recent Fiscal Year or Fiscal Quarter, as the case may be, and (iv) stating whether any change in GAAP or the application thereof has occurred since the date of the mostly recently delivered audited financial statements of Parent and its Subsidiaries, and, if any change has occurred, specifying the effect of such change on the financial statements accompanying such Compliance Certificate;

(d) as soon as available and in any event within 60 days after the end of the calendar year, forecasts and a pro forma budget for the succeeding Fiscal Year, containing an income statement, balance sheet and statement of cash flow; and

(e) promptly following any request therefor, such other information regarding the results of operations, business affairs and financial condition of the Borrower or any of its Subsidiaries as the Administrative Agent or any Lender may reasonably request.

Information required to be delivered solely pursuant to Section 5.1(a) and Section 5.1(b) shall be deemed to have been delivered if such information shall have been timely posted on Parent's website on the internet (currently [www.lendingtree.com](http://www.lendingtree.com)) or shall be available on the website of the Securities and Exchange Commission at <http://www.sec.gov>.

**Section 5.2** Notices of Material Events. Parent and the Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the occurrence of any Default or Event of Default;

(b) the filing or commencement of, or any material development in, any action, suit or proceeding by or before any arbitrator or Governmental Authority against or, to the knowledge of Parent or the Borrower, affecting Parent or the Borrower or any of their respective Subsidiaries which would reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any event or any other development by which Parent or any of its Subsidiaries (i) fails to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) becomes subject to any Environmental Liability, (iii) receives notice of any claim with respect to any Environmental Liability, or (iv) becomes aware of any basis for any Environmental Liability, in each case which, either individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect;

(d) promptly and in any event within 15 days after (i) Parent, any of its Subsidiaries or any ERISA Affiliate knows or has reason to know that any ERISA Event has occurred, a certificate of the chief financial officer of Parent describing such ERISA Event and the action, if any, proposed to be taken with respect to such ERISA Event and a copy of any notice filed with the PBGC or the IRS pertaining to such ERISA Event and any notices received by Parent, such Subsidiary or such ERISA Affiliate from the PBGC or any other governmental agency with respect thereto, and (ii) becoming aware (1) that there has been an increase in Unfunded Pension Liabilities (not taking into account Plans with negative Unfunded Pension Liabilities) since the date the representations hereunder are given or deemed given, or from any prior notice, as applicable, (2) of the existence of any Withdrawal Liability, (3) of the adoption of, or the commencement of contributions to, any Plan subject to Section 412 of the Code by Parent, any of its Subsidiaries or any ERISA Affiliate, or (4) of the adoption of any amendment to a Plan subject to Section 412 of the Code which results in a material increase in contribution obligations of Parent, any of its Subsidiaries or any ERISA Affiliate, a detailed written description thereof from the chief financial officer of Parent;

(e) the receipt by Parent or any of its Subsidiaries of any written notice of an alleged event of default with respect to any Material Indebtedness of Parent or any of its Subsidiaries; and

- (f) any other development that results in, or would reasonably be expected to result in, a Material Adverse Effect.

Parent and the Borrower will furnish to the Administrative Agent and each Lender the following:

(x) promptly and in any event at least 30 days prior thereto (or such shorter period of time as the Administrative Agent may agree in writing), notice of any change (i) in any Loan Party's legal name, (ii) in any Loan Party's chief executive office or its principal place of business, (iii) in any Loan Party's identity or legal structure, (iv) in any Loan Party's federal taxpayer identification number or organizational number or (v) in any Loan Party's jurisdiction of organization; and

(y) as soon as available and in any event within 30 days after receipt thereof, a copy of any environmental report or site assessment obtained by or for Parent or any of its Subsidiaries after the Restatement Date on any Real Estate.

Each notice or other document delivered under this Section shall be accompanied by a written statement of a Responsible Officer setting forth the details of the event or development requiring such notice or other document and any action taken or proposed to be taken with respect thereto.

**Section 5.3** **Existence; Conduct of Business**. Parent and the Borrower will, and will cause each of the other Loan Parties to, do or cause to be done all things necessary to preserve, renew and maintain in full force and effect its legal existence and its respective rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business; provided that nothing in this Section shall prohibit any merger, consolidation, liquidation or dissolution permitted under Section 7.3.

**Section 5.4** **Compliance with Laws**. Parent and the Borrower will, and will cause each of their respective Subsidiaries to, comply with all laws, rules, regulations and requirements of any Governmental Authority applicable to its business and properties, including, without limitation, all Environmental Laws, ERISA and OSHA, except where the failure to do so, either individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to promote and achieve compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with applicable Anti-Corruption Laws and applicable Sanctions.

**Section 5.5** **Payment of Obligations**. Parent and the Borrower will, and will cause each of their respective Subsidiaries to, pay and discharge at or before maturity all of its obligations and liabilities (including, without limitation, all taxes, assessments and other governmental charges, levies and all other claims that could result in a statutory Lien) before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) Parent, the Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest would not reasonably be expected to result in a Material Adverse Effect.

**Section 5.6** **Books and Records**. Parent and the Borrower will, and will cause each of their respective Subsidiaries to, keep proper books of record and account in which full, true and correct (in all material respects) entries shall be made of all dealings and transactions in relation to its business and activities to the extent necessary to prepare the consolidated financial statements of Parent in conformity with GAAP, subject to footnotes and normal year-end adjustments.

**Section 5.7** **Visitation and Inspection**. Each of Parent and the Borrower will, and will cause each of its respective Subsidiaries to, permit any representative of the Administrative Agent or any Lender to visit and inspect its properties, to examine its books and records and to make copies and take extracts therefrom, and to discuss its affairs, finances and accounts with any of its officers and with its independent certified public accountants, all at such reasonable times and as often as the Administrative Agent or any Lender may reasonably request after reasonable prior notice to Parent and the Borrower; provided that (a) if an Event of Default has occurred and is continuing, no prior notice shall be required (b) if no Event of Default has occurred and is continuing, the Loan Parties shall only reimburse the Administrative Agent and the Lenders for one such visit per Fiscal Year.

**Section 5.8** **Maintenance of Properties; Insurance**. Each of Parent and the Borrower will, and will cause each of the other Loan Parties to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, (b) maintain with financially sound and reputable insurance companies which are not Affiliates of Parent or the Borrower (i) insurance with respect to its properties and business, and the properties and business of its Subsidiaries, against loss or damage of the kinds customarily insured against by companies in the same or similar businesses operating in the same or similar locations and (ii) all insurance required to be maintained pursuant to the Collateral Documents, and will, upon request of the Administrative Agent, furnish to each Lender at reasonable intervals a certificate of a Responsible Officer setting forth the nature and extent of all insurance maintained by Parent, the Borrower and the other Loan Parties in accordance with this Section, and (c) at all times shall name the Administrative Agent as additional insured on all liability policies

of Parent, the Borrower and the other Loan Parties and as loss payee (pursuant to a loss payee endorsement approved by the Administrative Agent) on all casualty and property insurance policies of Parent, the Borrower and the other Loan Parties. It is hereby acknowledged that the insurance maintained by Parent and its Subsidiaries as of the Restatement Date complies with the provisions of this Section 5.8.

**Section 5.9** **Use of Proceeds; Margin Regulations**.

(a) On and after the Restatement Date, the Borrower will use the proceeds of the Loans to finance working capital needs, including, without limitation, Permitted Acquisitions and other growth initiatives, capital expenditures, and for other general corporate purposes of the Borrower and its Subsidiaries. All Letters of Credit will be used for general corporate purposes.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that would violate any rule or regulation of the Board of Governors of the Federal Reserve System, including Regulation T, Regulation U or Regulation X.

**Section 5.10** **Casualty and Condemnation**. Parent and the Borrower will furnish to the Administrative Agent and the Lenders prompt written notice of any casualty or other insured damage to any material portion of any Collateral or the commencement of any action or proceeding for the taking of any material portion of any Collateral or any part thereof or interest therein under power of eminent domain or by condemnation or similar proceeding.

**Section 5.11** **Cash Management**. Parent and the Borrower shall, and shall cause the Subsidiary Loan Parties to:

(a) maintain its primary cash management and treasury business with SunTrust Bank or a Permitted Third Party Bank, including, without limitation, all deposit accounts, disbursement accounts, investment accounts and lockbox accounts (other than Excluded Accounts) (each such deposit account, disbursement account, investment account and lockbox account, a “Controlled Account”); each Controlled Account shall be a cash collateral account, with all cash, checks and other similar items of payment in such account securing payment of the Obligations, and in which the Borrower and each Subsidiary Loan Party shall have granted a first priority Lien to the Administrative Agent, on behalf of the Secured Parties, perfected either automatically under the UCC (with respect to Controlled Accounts at SunTrust Bank) or subject to Account Control Agreements; and

(b) at any time after the occurrence and during the continuance of an Event of Default, at the request of the Required Lenders, each of Parent and the Borrower will, and will cause each other Loan Party to, cause all payments constituting proceeds of accounts or other Collateral to be directed into lockbox accounts under agreements in form and substance reasonably satisfactory to the Administrative Agent.

**Section 5.12** **Additional Subsidiaries and Collateral**.

(a) In the event that, subsequent to the Restatement Date, any Person becomes a Domestic Subsidiary of Parent that is a Material Subsidiary, whether pursuant to formation, acquisition or otherwise, (x) Parent shall promptly notify the Administrative Agent and the Lenders thereof and (y) within 30 days (or such longer period as the Administrative Agent shall permit in writing in its sole discretion) after such Person becomes a Domestic Subsidiary, Parent shall:

(i) cause such Domestic Subsidiary to:

(A) become a new Guarantor and to grant Liens in favor of the Administrative Agent in all of its personal property by executing and delivering to the Administrative Agent a supplement to the Guaranty and Security Agreement in form and substance reasonably satisfactory to the Administrative Agent;

(B) execute, file with the United States Patent and Trademark Office and the United States Copyright Office (as applicable), and deliver a copy thereof to the Administrative Agent and its counsel (together with a confirmation of such filing) any applicable Copyright Security Agreement, Patent Security Agreement, and Trademark Security Agreement;

(C) execute and deliver any Account Control Agreements (or amendments or supplements to any existing Account Control Agreements) required by Section 5.11;

(D) authorize and deliver, at the request of the Administrative Agent, such UCC financing statements or similar instruments reasonably required by the Administrative Agent to perfect the Liens in favor of the Administrative Agent and granted under any of the Loan Documents; and

(E) deliver all such other documentation (including, without limitation, certified organizational documents, resolutions, lien searches, title insurance policies, surveys, environmental reports and legal opinions) and to take all such other actions as such Domestic Subsidiary would have been required to deliver and take pursuant to Section 3.1 if such Domestic Subsidiary had been a Loan Party on the Restatement Date; and

(ii) cause the applicable Loan Party to:

(A) pledge all of the Capital Stock of such Domestic Subsidiary to the Administrative Agent as security for the Obligations by executing and delivering a supplement to the Guaranty and Security Agreement in form and substance reasonably satisfactory to the Administrative Agent; and

(B) deliver the original certificates evidencing such pledged Capital Stock to the Administrative Agent, together with appropriate powers executed in blank.

(b) In the event that, subsequent to the Restatement Date, any Person becomes a Foreign Subsidiary which is a Material Subsidiary owned directly by any Loan Party, whether pursuant to formation, acquisition or otherwise, (x) Parent shall promptly notify the Administrative Agent and the Lenders thereof and (y) within 60 days (or such longer period as the Administrative Agent shall permit in writing in its sole discretion) after such Person becomes a Foreign Subsidiary, Parent and the Borrower shall, or shall cause the applicable Loan Party to:

(i) pledge all of the Capital Stock of such Foreign Subsidiary (or, if the pledge of all of the voting Capital Stock of such Foreign Subsidiary would result in materially adverse tax consequences, then such pledge shall be limited to the lesser of (A) 100% of the issued and outstanding voting and non-voting Capital Stock of such Foreign Subsidiary owned by such Loan Party and (B) 66% of the issued and outstanding voting Capital Stock and 100% of the issued and outstanding non-voting Capital Stock of such Foreign Subsidiary, as applicable) to the Administrative Agent as security for the Obligations pursuant to a pledge agreement in form and substance reasonably satisfactory to the Administrative Agent;

(ii) deliver the original certificates evidencing such pledged Capital Stock to the Administrative Agent, together with appropriate powers executed in blank; and

(iii) deliver all such other documentation (including, without limitation, certified organizational documents, resolutions, lien searches and legal opinions) and to take all such other actions as the Administrative Agent may reasonably request.

(c) With respect to any Collateral acquired at any time after the Restatement Date by any Loan Party (other than any property described in paragraphs (a) or (b) above), each of Parent and the Borrower agrees that, within 30 days (or such longer period as the Administrative Agent shall permit in writing in its sole discretion), it shall cause the applicable Loan Party to take all actions reasonably necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in such Collateral, including, without limitation, the following:

(i) execute, file with the United States Patent and Trademark Office and the United States Copyright Office (as applicable), and deliver a copy thereof to the Administrative Agent and its counsel (together with a confirmation of such filing) any applicable Copyright Security Agreement, Patent Security Agreement, and Trademark Security Agreement; and

(ii) execute and deliver any Account Control Agreements (or amendments or supplements to any existing Account Control Agreements) required by Section 5.11.

(d) Each of Parent and the Borrower agrees that, following the delivery of any Collateral Documents required to be executed and delivered by this Section, the Administrative Agent shall have a valid and enforceable, first priority perfected Lien on the property required to be pledged pursuant to this Section (to the extent that such Lien can be perfected by execution, delivery and/or recording of the Collateral Documents or UCC financing statements, or possession of such Collateral), free and clear of all Liens other than Liens expressly permitted by Section

7.2. All actions to be taken pursuant to this Section shall be at the expense of the Loan Parties, and shall be taken to the reasonable satisfaction of the Administrative Agent.

**Section 5.13** **Leased Locations**. To the extent otherwise permitted hereunder, if Parent, the Borrower or any Subsidiary Loan Party proposes to lease any Real Estate that is a headquarters location or is the primary location where material books or records will be stored, it shall first provide to the Administrative Agent a Collateral Access Agreement from the landlord of such leased property; provided, that if the Borrower is unable to deliver such Collateral Access Agreement after using its commercially reasonable efforts to do so, the Administrative Agent shall waive the foregoing requirement.

**Section 5.14** **Further Assurances**. Parent and the Borrower will, and will cause each Subsidiary Loan Party to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents), which may be required under any applicable law, or which the Administrative Agent or the Required Lenders may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created by the Collateral Documents or the validity or priority of any such Lien, all at the expense of the Loan Parties. Parent and the Borrower also agree to provide to the Administrative Agent, from time to time upon request, evidence reasonably satisfactory to the Administrative Agent as to the perfection and priority of the Liens created or intended to be created by the Collateral Documents.

## ARTICLE VI

### FINANCIAL COVENANT

Parent and the Borrower covenant and agree that, so long as any Lender has a Commitment hereunder or any Obligation remains unpaid or outstanding, Parent and the Borrower shall not permit the Consolidated Total Net Leverage Ratio as of the end of any Fiscal Quarter to be greater than the ratio set forth below opposite such Fiscal Quarter:

<u>Fiscal Quarter</u>	<u>Consolidated Total Net Leverage Ratio</u>
December 31, 2017, through and including March 31, 2019	4.50 to 1.00
June 30, 2019, through and including September 30, 2020	4.25 to 1.00
December 31, 2020, and thereafter	4.00 to 1.00

provided that the Parent and the Borrower may permit the Consolidated Total Net Leverage Ratio during each of the four Fiscal Quarters ending after the consummation of any Material Acquisition to be 0.50 greater than the otherwise applicable level.

## ARTICLE VII

### NEGATIVE COVENANTS

Parent and the Borrower covenant and agree that so long as any Lender has a Commitment hereunder or any Obligation remains outstanding:

**Section 7.1** **Indebtedness and Disqualified Capital Stock**. Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, create, incur, assume or suffer to exist any Indebtedness, except:

- (a) Indebtedness created pursuant to the Loan Documents;
- (b) Indebtedness of Parent and its Subsidiaries existing on the date hereof and set forth on Schedule 7.1 and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof (immediately prior to giving effect to such extension, renewal or replacement) or shorten the maturity or the weighted average life thereof;
- (c) Indebtedness of Parent or any of its Subsidiaries incurred to finance the acquisition, construction or improvement of any fixed or capital assets, including Capital Lease Obligations, and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof ( provided that such Indebtedness is incurred prior to or within 180 days after such acquisition or the completion of such construction or improvements), and extensions, renewals or replacements of any such Indebtedness that do not increase the outstanding principal amount thereof (immediately prior to giving effect to such extension, renewal



or replacement) or shorten the maturity or the weighted average life thereof; provided that, (i) at the time of the incurrence thereof, no Event of Default has occurred and is continuing, (ii) after giving effect to such incurrence, Parent is in compliance with the financial covenant set forth in Article VI, calculated on a Pro Forma Basis as of the last day of the most recently ended Fiscal Quarter for which financial statements are required to have been delivered pursuant to Section 5.1(a) or (b), and (iii) the aggregate outstanding principal amount of Indebtedness incurred pursuant to this clause (c) does not exceed the greater of (A) \$6,500,000 and (B) 5% of Consolidated EBITDA for the most recently ended four Fiscal Quarter period for which financial statements are required to have been delivered pursuant to Section 5.1(a) or (b);

(d) Indebtedness of Parent owing to any Subsidiary of Parent and of any Subsidiary of Parent owing to Parent or any other Subsidiary of Parent; provided that any such Indebtedness that is owed by a Subsidiary of Parent that is not a Subsidiary Loan Party shall be subject to Section 7.4;

(e) Guarantees by Parent of Indebtedness of any Subsidiary of Parent and by any Subsidiary of Parent of Indebtedness of Parent or any other Subsidiary of Parent; provided that Guarantees by any Loan Party of Indebtedness of any Subsidiary of Parent that is not a Subsidiary Loan Party shall be subject to Section 7.4;

(f) Indebtedness of any Person which becomes a Subsidiary of Parent after the date of this Agreement; provided that (i) such Indebtedness exists at the time that such Person becomes a Subsidiary of Parent and is not created in contemplation of or in connection with such Person becoming a Subsidiary of Parent and (ii) the aggregate outstanding principal amount of such Indebtedness permitted under this clause (f) shall not exceed the greater of (A) \$6,500,000 and (B) 5% of Consolidated EBITDA for the most recently ended four Fiscal Quarter period for which financial statements are required to have been delivered pursuant to Section 5.1(a) or (b).

(g) Hedging Obligations permitted by Section 7.10;

(h) Indebtedness consisting of the financing of insurance premiums incurred in the ordinary course of business;

(i) Indebtedness representing deferred compensation to employees incurred in the ordinary course of business;

(j) (i) earnout obligations or similar deferred or contingent purchase price obligations constituting Indebtedness or (ii) Indebtedness consisting of any indemnification obligation arising in connection with any investment by Parent or any of its Subsidiaries;

(k) Indebtedness arising under any bid, performance or surety bond (including any consumer protection bond or any performance bond posted in respect of contested tax assessments), completion bond or similar obligation, in each case incurred in the ordinary course of business and not supporting Indebtedness;

(l) overdrafts of such Subsidiary (or Parent) incurred in the ordinary course of business;

(m) all premium (if any), interest (including post-petition interest), fees, expenses, charges and additional or contingent interest on obligations described in the foregoing clauses of this Section;

(n) Indebtedness consisting of promissory notes issued to current or former officers, directors and employees of Parent or any of its Subsidiaries, their respective estates, spouses or former spouses issued in exchange for the purchase or redemption by Parent or such Subsidiary of its Equity Interests (other than Disqualified Capital Stock); provided that (i) the aggregate principal amount of such Indebtedness permitted by this clause (n) shall not exceed \$1,000,000 at any time outstanding and (ii) any Restricted Payments made in connection with such Indebtedness are permitted under Section 7.5;

(o) other unsecured Indebtedness of Parent and its Subsidiaries so long as, at the time of the incurrence thereof, (i) no Default or Event of Default has occurred and is continuing (or, in connection with a Limited Condition Transaction, no Event of Default under Sections 8.1(h) or 8.1(i) has occurred and is continuing) and (ii) after giving effect to such incurrence, Parent is in compliance with the financial covenant forth in Article VI, calculated on a Pro Forma Basis as of the last day of the most recently ended Fiscal Quarter for which financial statements are required to have been delivered pursuant to Section 5.1(a) or (b); provided, that, in connection with any Indebtedness incurred to finance a Limited Condition Transaction, the date of determination of whether the condition in this clause (o) have been satisfied shall, at the option of the Borrower, be the LCT Test Date for such Limited Condition Transaction;

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(p) Indebtedness to current and former employees of Parent or any of its Subsidiaries incurred in the ordinary course of business or existing on the Restatement Date arising from (A) deferred compensation, severance obligations or similar obligations or (B) health and welfare retirement benefits or similar obligations;

(q) Indebtedness representing installment insurance premiums of Parent or any of its Subsidiaries owing to insurance companies in the ordinary course of business;

(r) Indebtedness which represents a refinancing or renewal of any of the Indebtedness permitted under Section 7.01(c), 7.01(d), 7.01(e), 7.01(f), 7.01(n), and 7.01(o); provided that (i) any such refinancing Indebtedness is in an aggregate principal amount (or aggregate amount, as applicable) not greater than the aggregate principal amount (or aggregate amount, as applicable) of the Indebtedness being renewed or refinanced, plus the amount of any reasonable premiums required to be paid thereon and reasonable fees and expenses associated therewith, (ii) such refinancing Indebtedness has a later or equal final maturity and longer or equal weighted average life to maturity than the Indebtedness being renewed or refinanced, and (iii) the covenants, events of default, subordination (including lien subordination) and other terms, conditions and provisions thereof (including any guarantees thereof or security documents in respect thereof) shall be, in the aggregate, no less favorable to Parent and its Subsidiaries than those contained in the Indebtedness being renewed or refinanced;

(s) other Indebtedness in an aggregate outstanding principal amount not to exceed \$5,000,000 at any time; and

(t) Indebtedness incurred in connection with the Permitted Specified Real Estate Finance Transaction.

Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, issue or permit to exist any Disqualified Capital Stock of any such Person. For the avoidance of doubt, (x) if any item meets the criteria set forth in more than one of clauses (b) through (t) of this Section 7.1 then the Borrower may classify or reclassify such item in any manner that complies with this Section 7.1 and such item shall be treated as having been permitted pursuant to only one of the clauses of this Section 7.1 and (y) any item meeting the criteria set forth in more than one of clauses (b) through (t) of this Section 7.1 may be divided and classified among more than one of the clauses of this Section 7.1.

**Section 7.2** **Liens.** Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, create, incur, assume or suffer to exist any Lien on any of its assets or property now owned or hereafter acquired, except:

(a) Liens securing the Obligations; provided that no Liens may secure Hedging Obligations or Bank Product Obligations without securing all other Obligations on a basis at least *pari passu* with such Hedging Obligations or Bank Product Obligations and subject to the priority of payments set forth in Section 2.21 and Section 8.2;

(b) Permitted Encumbrances;

(c) Liens on any property or asset of Parent or any of its Subsidiaries existing on the date hereof and set forth on Schedule 7.2; provided that such Liens shall not apply to any other property or asset of Parent or any Subsidiary of Parent;

(d) purchase money Liens upon or in any fixed or capital assets of Parent or any of its Subsidiaries to secure the purchase price or the cost of construction or improvement of such fixed or capital assets or to secure Indebtedness incurred solely for the purpose of financing the acquisition, construction or improvement of such fixed or capital assets (including Liens securing any Capital Lease Obligations); provided that (i) such Lien secures Indebtedness permitted by Section 7.1(c), (ii) such Lien attaches to such asset concurrently or within 180 days after the acquisition or the completion of the construction or improvements thereof, (iii) such Lien does not extend to any other asset, and (iv) the Indebtedness secured thereby does not exceed the cost of acquiring, constructing or improving such fixed or capital assets;

(e) any Lien (x) existing on any asset of any Person at the time such Person becomes a Subsidiary of Parent, (y) existing on any asset of any Person at the time such Person is merged with or into Parent or any of its Subsidiaries, or (z) existing on any asset prior to the acquisition thereof by Parent or any of its Subsidiaries; provided that (i) any such Lien was not created in the contemplation of any of the foregoing and (ii) any such Lien secures only those obligations which it secures on the date that such Person becomes a Subsidiary or the date of such merger or the date of such acquisition;

- (f) extensions, renewals, or replacements of any Lien referred to in subsections (b) through (e) of this Section; provided that the principal amount of the Indebtedness secured thereby is not increased and that any such extension, renewal or replacement is limited to the assets originally encumbered thereby;
- (g) licenses, sublicenses, leases or subleases (other than any Capital Lease Obligations) that do not interfere in any material respect with the business of Parent or any Subsidiary;
- (h) any interest or title of a lessor or sublessor under, and Liens arising from UCC financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to, leases and subleases permitted hereunder (other than any Capital Lease Obligations or Sale/Leaseback Transaction);
- (i) normal and customary rights of setoff upon deposits of cash or other Liens originating solely by virtue of any statutory or common law provision relating to bankers liens, rights of setoff or similar rights in favor of banks or other depository institutions and not securing any Indebtedness;
- (j) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection;
- (k) Liens solely on any cash earnest money deposits made by Parent or any Subsidiary in connection with any letter of intent or purchase agreement in respect of any acquisition or other investment by Parent or any Subsidiary;
- (l) Liens arising from precautionary Uniform Commercial Code financing statement filings not relating to Indebtedness;
- (m) deposits to secure the performance of bids, performance or surety bonds (including consumer protection bonds or performance bonds posted in respect of contested tax assessments), completion bonds or similar obligation, in each case incurred in the ordinary course of business and not supporting Indebtedness for borrowed money;
- (n) other Liens securing obligations in an aggregate outstanding principal amount not to exceed \$5,000,000 at any time; and
- (o) Liens to secure Indebtedness incurred in connection with the Permitted Specified Real Estate Finance Transaction.

### **Section 7.3**

#### **Fundamental Changes**

- (a) Parent and the Borrower will not, and will not permit any of their respective Material Subsidiaries to, merge into or consolidate into any other Person, or permit any other Person to merge into or consolidate with it, or sell, lease, transfer or otherwise dispose of (in a single transaction or a series of transactions) all or substantially all of its assets (in each case, whether now owned or hereafter acquired) or all or substantially all of the stock of any of their respective Material Subsidiaries (in each case, whether now owned or hereafter acquired) or liquidate or dissolve; provided that if, at the time thereof and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing:
  - (i) Parent may merge with a Person if Parent is the surviving Person,
  - (ii) the Borrower or any Subsidiary of the Borrower may merge with a Person if the Borrower (or such Subsidiary if the Borrower is not a party to such merger) is the surviving Person,
  - (iii) any Subsidiary of the Borrower may merge into another Subsidiary of the Borrower; provided that if any party to such merger is a Subsidiary Loan Party, the Subsidiary Loan Party shall be the surviving Person,
  - (iv) any Subsidiary of the Borrower may sell, transfer, lease or otherwise dispose of all or substantially all of its assets to the Borrower or to a Subsidiary Loan Party, and
  - (v) any Subsidiary of the Borrower may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower; provided, that any Subsidiary Loan Party shall liquidate or dissolve into the Borrower or another Subsidiary Loan Party;

provided, further, that any such merger under this Section 7.3(a) involving a Person that is not a wholly owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 7.4(d).

(b) Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, engage in any business other than businesses of the type conducted by Parent, the Borrower and their respective Subsidiaries on the date hereof and businesses reasonably incidental or related thereto.

**Section 7.4** Investments, Loans. Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary prior to such merger) any Capital Stock, evidence of Indebtedness or other securities (including any option, warrant, or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person (all of the foregoing being collectively called "Investments"), or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person that constitute a business unit, or create or form any Subsidiary, except:

(a) Investments (other than Permitted Investments) existing on the date hereof and set forth on Schedule 7.4 (including Investments in Subsidiaries);

(b) Permitted Investments;

(c) Guarantees by Parent and its Subsidiaries constituting Indebtedness permitted by Section 7.1; provided that the aggregate principal amount of Indebtedness of Subsidiaries of Parent that are not Subsidiary Loan Parties that is Guaranteed by any Loan Party shall be subject to the limitation set forth in subsection (d) of this Section;

(d) Investments (other than Acquisitions) made by Parent, the Borrower or any Subsidiary Loan Party in or to any Subsidiary and by any Subsidiary to the Borrower or in or to another Subsidiary; provided that, with respect to any Investment in any Subsidiary that is not a Loan Party, (i) no Default or Event of Default shall have occurred and be continuing at the time such Investment is made or would result therefrom and (ii) the aggregate amount of Investments by the Loan Parties in or to any Subsidiary that is not a Loan Party (including all such Investments existing on the Restatement Date) shall not exceed \$30,000,000 at any time outstanding;

(e) loans or advances to employees, officers or directors of Parent or any of its Subsidiaries in the ordinary course of business for travel, relocation and related expenses; provided that the aggregate amount of all such loans and advances does not exceed \$500,000 at any time outstanding;

(f) Hedging Transactions permitted by Section 7.10;

(g) Permitted Acquisitions;

(h) Investments (other than Acquisitions and Investments described in clause (d) of this Section 7.4) by Parent or any of its Subsidiaries which in the aggregate do not exceed \$25,000,000 at any time outstanding; provided, that no Default or Event of Default shall have occurred and be continuing at the time such Investment is made or would result therefrom;

(i) any transactions deemed to be Investments arising in connection with any dissolution or reorganization of any Subsidiary permitted under Section 7.3, so long as no cash or other tangible property is invested in such Subsidiary;

(j) Investments consisting of the acquisition of property in the ordinary course of business (other than Acquisitions);

(k) Investments in securities of trade creditors or customers in the ordinary course of business that are received in settlement of bona fide disputes or pursuant to any plan of reorganization or liquidation or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers;

(l) Investments (other than Acquisitions and Investments described in clause (d) of this Section 7.4) and made in accordance with any written investment policy of Parent approved by the board of directors of Parent prior to the Restatement Date, with such changes thereto as adopted in good faith by the board of directors of Parent from time to time after the Restatement Date (so long as any such changes to the types of investments permitted pursuant to the policy are generally consistent with the types of investments set forth in the written investment policy delivered to the Administrative Agent and the Lenders on the Restatement Date);

- (m) nominal capital contributions made in connection with and in furtherance of the formation of any new Subsidiaries as permitted hereunder;
- (n) Investments consisting of accounts receivable owing to any of Parent, the Borrower, or such Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary terms;
- (o) contributions to the LendingTree Foundation in an aggregate amount not to exceed \$25,000,000 at any time outstanding; provided, that no Default or Event of Default shall have occurred and be continuing at the time such Investment is made or would result therefrom;
- (p) other Investments (other than Acquisitions and Investments described in clause (d) of this Section 7.4) by Parent or any of its Subsidiaries which in the aggregate so long as (i) no Default or Event of Default shall have occurred and be continuing at the time such Investment is made or would result therefrom, and (ii) after giving effect to such Investment, the Consolidated Total Net Leverage Ratio is less than or equal to 3.00 to 1.00, calculated on a Pro Forma Basis as of the last day of the most recently ended Fiscal Quarter for which financial statements are required to have been delivered pursuant to Section 5.1(a) or (b); and
- (q) the purchase of the Permitted Bond Hedge Transaction by the Parent and the performance of its obligations thereunder.

Parent will not create, form, purchase, acquire, or otherwise suffer to exist any direct Subsidiary other than the Borrower.

For purposes of determining the amount of any Investment outstanding for purposes of this Section 7.4, such amount shall be deemed to be the cost of such Investment when made, purchased or acquired, net of any amount representing return of (but not return on) such Investment and without regard to any forgiveness of Indebtedness. For the avoidance of doubt, (x) if any Investment meets the criteria set forth in more than one of clauses (a) through (q) of this Section 7.4 then the Borrower may classify or reclassify such Investment in any manner that complies with this Section 7.4 and such Investment shall be treated as having been permitted pursuant to only one of the clauses of this Section 7.4 and (y) any Investment meeting the criteria set forth in more than one of clauses (a) through (q) of this Section 7.4 may be divided and classified among more than one of the clauses of this Section 7.4.

**Section 7.5** Restricted Payments. Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except:

- (a) dividends payable by Parent solely in interests of any class of its common equity;
- (b) Restricted Payments made by any Subsidiary to Parent or to another Subsidiary, on at least a *pro rata* basis with any other shareholders if such Subsidiary is not wholly owned by Parent and other wholly owned Subsidiaries of Parent;
- (c) Restricted Payments made pursuant to and in accordance with stock option plans or other benefit plans for management or employees of Parent and the Subsidiaries;
- (d) Permitted Tax Distributions;
- (e) Restricted Payments from the Borrower to Parent solely for the purpose of the payment by Parent of principal and interest on Indebtedness of Parent (to the extent such Indebtedness and such payments are permitted hereunder) so long as (i) no Default or Event of Default has occurred and is continuing and (ii) the aggregate amount of such Restricted Payments does not exceed \$500,000 per Fiscal Year;
- (f) other Restricted Payments made by Parent or any Subsidiary of Parent so long as (i) the aggregate amount of Restricted Payments made pursuant to this clause (f) since January 1, 2017, does not exceed the sum of (A) \$75,000,000, plus (B) 50% of cumulative Excess Cash Flow for the period commencing on January 1, 2017, and ending on the first day of the most recent Fiscal Year beginning before such Restricted Payment is made, plus (C) the Specified Cash Contribution Amount, plus (D) additional amounts so long as the Consolidated Total Net Leverage Ratio is less than or equal to 2.50 to 1.00, calculated on a Pro Forma Basis as of the last day of the most recently ended Fiscal Quarter for which financial statements are required to have been delivered pursuant to Section 5.1(a) or (b), (ii) no Default or Event of Default shall have occurred and be continuing at the time such Restricted Payment is made, and (iii) after giving effect to such Restricted Payment, the Loan Parties shall have Liquidity of at least \$20,000,000;

(g) the Parent may make any payments and/or deliveries required by the terms of, and otherwise perform its obligations under, the Specified Convertible Indebtedness (including, without limitation, making payments of interest and principal thereon, making payments due upon required repurchase thereof and/or making payments and deliveries due upon conversion thereof);

(h) the Parent may pay the premium in respect of, and otherwise perform its obligations under, the Permitted Bond Hedge Transaction; and

(i) the Parent may make any payments and/or deliveries required by the terms of, and otherwise perform its obligations under, the Permitted Warrant Transaction (including, without limitation, making payments and/or deliveries due upon exercise and settlement or termination thereof).

**Section 7.6** Sale of Assets. Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, convey, sell, lease, assign, transfer or otherwise dispose of any of their assets, business or property or, in the case of any Subsidiary, any shares of such Subsidiary's Capital Stock, in each case whether now owned or hereafter acquired, to any Person other than Parent, the Borrower or a Subsidiary Loan Party (or to qualify directors if required by applicable law), except:

(a) the sale or other disposition for fair market value of obsolete or worn out property or other property not necessary for operations disposed of in the ordinary course of business;

(b) the sale of equipment and inventory and Permitted Investments in the ordinary course of business;

(c) sales, transfers and other dispositions (i) to a Loan Party or (ii) among any Subsidiaries that are not Loan Parties;

(d) licenses, sublicenses, leases and subleases that do not interfere in any material respect with the business of Parent or any Subsidiary;

(e) sales or discounts of accounts receivable in connection with the compromise or collection thereof in the ordinary course of business;

(f) any disposition of property as a result of a casualty event;

(g) any disposition permitted under Sections 7.1, 7.4, 7.5 or 7.7 and any Liens permitted under Section 7.2;

(h) any disposition permitted under Section 7.3, including, without limitation, (A) any exchange of assets between Subsidiaries of the Borrower entered into as a result of any such disposition and (B) any merger, consolidation, disposition, liquidation, or dissolution by any Subsidiary of Parent which is not a Material Subsidiary;

(i) the sale or other disposition of assets so long as, at the time of such disposition, (i) no Default or Event of Default has occurred and is continuing or would result therefrom, and (ii) after giving effect to such disposition, Parent and its Subsidiaries are in compliance with the financial covenant set forth in Article VI, calculated on a Pro Forma Basis as of the last day of the most recently ended Fiscal Quarter for which financial statements are required to have been delivered pursuant to Section 5.1(a) or (b); or

(j) the unwinding or termination of the Permitted Bond Hedge Transaction by the Parent and the performance of its obligations thereunder.

**Section 7.7** Transactions with Affiliates. Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of their respective Affiliates, except:

(a) in the ordinary course of business at prices and on terms and conditions not less favorable to Parent, the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties;

(b) transactions between or among one or more of Parent, the Borrower and the Subsidiary Loan Parties not involving any other Affiliates;

(c) any Restricted Payment permitted by Section 7.5;

- (d) transactions between or among Parent or the Borrower and any of their Affiliates existing on the date hereof and set forth on Schedule 7.5;
- (e) reasonable and customary director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements entered into in the ordinary course of business, in each case approved by the board of directors of Parent or any of its Subsidiaries;
- (f) reasonable and documented expense reimbursements for out-of-pocket expenses incurred by officers, managers and directors of Parent or any of its Subsidiaries in connection with their services provided to Parent or such Subsidiary;
- (g) employment agreements entered into by Parent or any of its Subsidiary in the ordinary course of business;
- (h) any transactions permitted by Section 7.3(a);
- (i) any Investments permitted by Sections 7.4(c), (d), (e), (i), or (o); and
- (j) any disposition of assets permitted by Section 7.6(h).

**Section 7.8** Restrictive Agreements. Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement that prohibits, restricts or imposes any condition upon (a) the ability of Parent or any of Parent' Subsidiaries to create, incur or permit any Lien upon any of its assets or properties, whether now owned or hereafter acquired, or (b) the ability of any of its Subsidiaries to pay dividends or other distributions with respect to its Capital Stock, to make or repay loans or advances to Parent or any other Subsidiary thereof, to Guarantee Indebtedness of Parent or any other Subsidiary thereof or to transfer any of its property or assets to Parent or any other Subsidiary thereof; provided that (i) the foregoing shall not apply to restrictions or conditions imposed by law or by this Agreement or any other Loan Document, (ii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided such restrictions and conditions apply only to the Subsidiary that is sold and such sale is permitted hereunder, (iii) clause (a) shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions and conditions apply only to the property or assets securing such Indebtedness, (iv) clause (a) shall not apply to customary provisions in leases and other contracts restricting the assignment thereof, (v) clause (a) shall not, in the case of any non-wholly owned Subsidiary, apply to customary provisions in such Subsidiary's organization documents that restrict the transfer of such Subsidiary's Equity Interests, and (vi) clause (a) shall not apply to restrictions on cash deposits permitted hereunder and which are imposed by Parent' or its Subsidiaries' suppliers, service providers and landlords.

**Section 7.9** Sale and Leaseback Transactions. Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, enter into any arrangement, directly or indirectly, whereby they shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereinafter acquired, and thereafter rent or lease such property or other property that they intend to use for substantially the same purpose or purposes as the property sold or transferred (each such transaction, a "Sale/Leaseback Transaction").

**Section 7.10** Hedging Transactions. Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, enter into any Hedging Transaction, other than (x) Hedging Transactions entered into by Parent or any of its Subsidiaries in the ordinary course of business to hedge or mitigate risks to which Parent or any of its Subsidiaries is exposed in the conduct of its business or the management of its liabilities, (y) the Permitted Bond Hedge Transaction or (z) the Permitted Warrant Transaction. Solely for the avoidance of doubt, Parent and the Borrower acknowledge that a Hedging Transaction entered into for speculative purposes or of a speculative nature (which shall be deemed to include any Hedging Transaction under which Parent or any of its Subsidiaries is or may become obliged to make any payment (i) in connection with the purchase by any third party of any Capital Stock or any Indebtedness or (ii) as a result of changes in the market value of any Capital Stock or any Indebtedness) is not a Hedging Transaction entered into in the ordinary course of business to hedge or mitigate risks.

**Section 7.11** Amendment to Organizational Documents. Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, amend, modify or waive any of their respective rights under its certificate of incorporation, articles of organization, bylaws, limited liability company agreement, or other organizational documents in any manner materially adverse to the Secured Parties or the Parent, the Borrower, or their respective Subsidiaries.

**Section 7.12** Accounting Changes. Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, make any significant change in accounting treatment or reporting practices, except as required by GAAP, or change the fiscal year of Parent or of any of its Subsidiaries, except to change the fiscal year of a Subsidiary to conform its fiscal year to that of Parent.

**Section 7.13** Sanctions and Anti-Corruption Laws. Parent and the Borrower will not, and will not permit any of their respective Subsidiaries to, request any Loan or Letter of Credit or, directly or indirectly, use the proceeds of any Loan or any Letter of Credit, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is, or whose government is, the subject of Sanctions, (ii) in any other manner that would result in a violation of Sanctions by any Person (including any Person participating in the Loans, whether as Sole Arranger, the Administrative Agent, any Lender (including a Swingline Lender), the Issuing Bank, underwriter, advisor, investor or otherwise), or (iii) in furtherance of an offer, payment, promise to pay or authorization of the payment or giving of money or anything else of value to any Person in violation of applicable Anti-Corruption Laws.

## ARTICLE VIII

### EVENTS OF DEFAULT

**Section 8.1** Events of Default. If any of the following events (each, an “Event of Default”) shall occur:

(a) Parent or the Borrower shall fail to pay any principal of any Loan or of any reimbursement obligation in respect of any LC Disbursement, when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment or otherwise; or

(b) Parent or the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount payable under subsection (a) of this Section or an amount related to a Bank Product Obligation) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three (3) Business Days; or

(c) any representation or warranty made or deemed made by or on behalf of Parent or any of its Subsidiaries in or in connection with this Agreement or any other Loan Document (including the Schedules attached hereto and thereto), or in any amendments or modifications hereof or waivers hereunder, or in any certificate, report, financial statement or other document submitted to the Administrative Agent or the Lenders by any Loan Party or any representative of any Loan Party pursuant to or in connection with this Agreement or any other Loan Document shall prove to be incorrect in any material respect (other than any representation or warranty that is expressly qualified by a Material Adverse Effect or other materiality, in which case such representation or warranty shall prove to be incorrect in any respect) when made or deemed made or submitted; or

(d) Parent or the Borrower shall fail to observe or perform any covenant or agreement contained in Section 5.1, 5.2, 5.3 (with respect to the Borrower’s legal existence), 5.9 (with respect to the use of proceeds of the Loans), or Article VI or VII; or

(e) any Loan Party shall fail to observe or perform any covenant or agreement contained in this Agreement (other than those referred to in subsections (a), (b) and (d) of this Section) or any other Loan Document or related to any Bank Product Obligation, and such failure shall remain unremedied for 30 days after the earlier of (i) any officer of Parent or the Borrower becomes aware of such failure, or (ii) notice thereof shall have been given to Parent or the Borrower by the Administrative Agent or any Lender; or

(f) [Intentionally Omitted.]

(g) (i) Parent or any of its Subsidiaries (whether as primary obligor or as guarantor or other surety) shall fail to pay any principal of, or premium or interest on, any Material Indebtedness (other than any Hedging Obligation) that is outstanding, when and as the same shall become due and payable (whether at scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument evidencing or governing such Indebtedness; or any other event shall occur or condition shall exist under any agreement or instrument relating to any Material Indebtedness and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such event or condition is to accelerate, or permit the acceleration of, the maturity of such Indebtedness (other than (x) any event that permits holders



of the Specified Convertible Indebtedness to convert such Indebtedness or (y) the conversion of the Specified Convertible Indebtedness, in either case, into common stock of the Parent (or other securities or property following a merger event, reclassification or other change of the common stock of the Parent), cash or a combination thereof); or any Material Indebtedness shall be declared to be due and payable, or required to be prepaid or redeemed (other than by a regularly scheduled required prepayment or redemption), purchased or defeased, or any offer to prepay, redeem, purchase or defease such Indebtedness shall be required to be made, in each case prior to the stated maturity thereof (other than (x) any event that permits holders of the Specified Convertible Indebtedness to convert such Indebtedness or (y) the conversion of the Specified Convertible Indebtedness, in either case, into common stock of the Parent (or other securities or property following a merger event, reclassification or other change of the common stock of the Parent), cash or a combination thereof) or (ii) there occurs under any Hedging Transaction an Early Termination Date (as defined in such Hedge Transaction) resulting from (A) any event of default under such Hedging Transaction as to which Parent or any of its Subsidiaries is the Defaulting Party (as defined in such Hedging Transaction) and the Hedge Termination Value owed by Parent or such Subsidiary as a result thereof is greater than the Threshold Amount or (B) any Termination Event (as so defined) under such Hedging Transaction as to which Parent or any Subsidiary is an Affected Party (as so defined) and the Hedge Termination Value owed by Parent or such Subsidiary as a result thereof is greater than the Threshold Amount and is not paid; or

(h) Parent or any of its Material Subsidiaries shall (i) commence a voluntary case or other proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a custodian, trustee, receiver, liquidator or other similar official of it or any substantial part of its property, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in subsection (i) of this Section, (iii) apply for or consent to the appointment of a custodian, trustee, receiver, liquidator or other similar official for Parent or any such Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take any action for the purpose of effecting any of the foregoing; or

(i) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of Parent or any of its Material Subsidiaries or its debts, or any substantial part of its assets, under any federal, state or foreign bankruptcy, insolvency or other similar law now or hereafter in effect or (ii) the appointment of a custodian, trustee, receiver, liquidator or other similar official for Parent or any of its Material Subsidiaries or for a substantial part of its assets, and in any such case, such proceeding or petition shall remain undismissed for a period of 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or

(j) Parent or any of its Material Subsidiaries shall become unable to pay, shall admit in writing its inability to pay, or shall fail to pay, its debts as they become due; or

(k) (i) an ERISA Event shall have occurred that, when taken together with other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect, (ii) there is or arises an Unfunded Pension Liability (not taking into account Plans with negative Unfunded Pension Liability) which would reasonably be expected to result in a Material Adverse Effect, or (iii) there is or arises any potential Withdrawal Liability which would reasonably be expected to result in a Material Adverse Effect; or

(l) any judgment or order for the payment of money in excess of the Threshold Amount in the aggregate (to the extent not paid or covered by insurance as to which the applicable insurance company is solvent and has not disputed coverage) shall be rendered against Parent or any of its Subsidiaries, and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be a period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(m) any non-monetary judgment or order shall be rendered against Parent or any of its Subsidiaries that could reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, and there shall be a period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(n) a Change in Control shall occur or exist; or

(o) any provision of the Guaranty and Security Agreement, any other Collateral Document or any other material Loan Document shall for any reason cease to be valid and binding on, or enforceable against, any Loan

Party, or any Loan Party shall so state in writing, or any Loan Party shall seek to terminate its obligation under the Guaranty and Security Agreement, any other Collateral Document or any other material Loan Document (other than the release of any guaranty or collateral to the extent permitted pursuant to Section 9.11); or

(p) any Lien purported to be created under any Collateral Document shall fail or cease to be, or shall be asserted by any Loan Party not to be, a valid and perfected Lien on any Collateral, with the priority required by the applicable Collateral Documents;

then, and in every such event (other than an event with respect to Parent or the Borrower described in subsection (h) or (i) of this Section) and at any time thereafter during the continuance of such event, the Administrative Agent may, and upon the written request of the Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate the Commitments, whereupon the Commitment of each Lender shall terminate immediately, (ii) declare the principal of and any accrued interest on the Loans, and all other Obligations owing hereunder, to be, whereupon the same shall become, due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Parent and the Borrower, (iii) exercise all remedies contained in any other Loan Document, and (iv) exercise any other remedies available at law or in equity; provided that, if an Event of Default specified in either subsection (h) or (i) shall occur, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon, and all fees and all other Obligations (other than (A) Hedging Obligations owed by any Loan Party to any Lender-Related Hedge Provider and (B) Bank Product Obligations) shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Parent and the Borrower.

**Section 8.2** Application of Proceeds from Collateral. All proceeds from each sale of, or other realization upon, all or any part of the Collateral by any Secured Party after an Event of Default arises shall be applied as follows:

(a) first, to the reimbursable expenses of the Administrative Agent incurred in connection with such sale or other realization upon the Collateral, until the same shall have been paid in full;

(b) second, to the fees and other reimbursable expenses of the Administrative Agent, the Swingline Lender and the Issuing Bank then due and payable pursuant to any of the Loan Documents, until the same shall have been paid in full;

(c) third, to all reimbursable expenses, if any, of the Lenders then due and payable pursuant to any of the Loan Documents, until the same shall have been paid in full;

(d) fourth, to the fees and interest then due and payable under the terms of this Agreement, until the same shall have been paid in full;

(e) fifth, to the aggregate outstanding principal amount of the Loans, the LC Exposure, the Bank Product Obligations and the Hedge Termination Value of the Hedging Obligations that constitute Obligations, until the same shall have been paid in full, allocated *pro rata* among the Secured Parties based on their respective *pro rata* shares of the aggregate amount of such Loans, LC Exposure, Bank Product Obligations and Hedge Termination Value of such Hedging Obligations;

(f) sixth, to additional cash collateral for the aggregate amount of all outstanding Letters of Credit until the aggregate amount of all cash collateral held by the Administrative Agent pursuant to this Agreement is at least 105% of the LC Exposure after giving effect to the foregoing clause fifth; and

(g) seventh, to the extent any proceeds remain, to the Borrower or as otherwise provided by a court of competent jurisdiction.

All amounts allocated pursuant to the foregoing clauses third through fifth to the Lenders as a result of amounts owed to the Lenders under the Loan Documents shall be allocated among, and distributed to, the Lenders *pro rata* based on their respective Pro Rata Shares; provided that all amounts allocated to that portion of the LC Exposure comprised of the aggregate undrawn amount of all outstanding Letters of Credit pursuant to clauses fifth and sixth shall be distributed to the Administrative Agent, rather than to the Lenders, and held by the Administrative Agent in an account in the name of the Administrative Agent for the benefit of the Issuing Bank and the Lenders as cash collateral for the LC Exposure, such account to be administered in accordance with Section 2.22(g). All cash collateral for LC Exposure shall be applied to satisfy drawings under the Letters of Credit as they occur; if any amount remains on deposit on cash collateral after all letters of credit have either been fully drawn or expired, such remaining amount shall be applied to other Obligations, if any, in the order set forth above.

Notwithstanding the foregoing, (a) no amount received from any Guarantor (including any proceeds of any sale of, or other realization upon, all or any part of the Collateral owned by such Guarantor) shall be applied to any Excluded Swap Obligation of such Guarantor and (b) Bank Product Obligations and Hedging Obligations shall be excluded from the application described above if the Administrative Agent has not received written notice thereof, together with such supporting documentation as the Administrative Agent may request, from the Bank Product Provider or the Lender-Related Hedge Provider, as the case may be. Each Bank Product Provider or Lender-Related Hedge Provider that has given the notice contemplated by the preceding sentence shall, by such notice, be deemed to have acknowledged and accepted the appointment of the Administrative Agent pursuant to the terms of Article IX hereof for itself and its Affiliates as if a “Lender” party hereto.

## ARTICLE IX

### THE ADMINISTRATIVE AGENT

#### **Section 9.1**                    Appointment of the Administrative Agent

(a) Each Lender irrevocably appoints SunTrust Bank as the Administrative Agent and authorizes it to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent under this Agreement and the other Loan Documents, together with all such actions and powers that are reasonably incidental thereto. The Administrative Agent may perform any of its duties hereunder or under the other Loan Documents by or through any one or more sub-agents or attorneys-in-fact appointed by the Administrative Agent. The Administrative Agent and any such sub-agent or attorney-in-fact may perform any and all of its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions set forth in this Article shall apply to any such sub-agent, attorney-in-fact or Related Party and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Administrative Agent.

(b) The Issuing Bank shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith until such time and except for so long as the Administrative Agent may agree at the request of the Required Lenders to act for the Issuing Bank with respect thereto; provided that the Issuing Bank shall have all the benefits and immunities (i) provided to the Administrative Agent in this Article with respect to any acts taken or omissions suffered by the Issuing Bank in connection with Letters of Credit issued by it or proposed to be issued by it and the application and agreements for letters of credit pertaining to the Letters of Credit as fully as if the term “Administrative Agent” as used in this Article included the Issuing Bank with respect to such acts or omissions and (ii) as additionally provided in this Agreement with respect to the Issuing Bank.

(c) It is understood and agreed that the use of the term “agent” herein or in any other Loan Document (or any similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties.

**Section 9.2**                    Nature of Duties of the Administrative Agent. The Administrative Agent shall not have any duties or obligations except those expressly set forth in this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or an Event of Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except those discretionary rights and powers expressly contemplated by the Loan Documents that the Administrative Agent is required to exercise in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.2), provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and (c) except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Parent, Borrower or any of its Subsidiaries that is communicated to or obtained by the Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it, its sub-agents or its attorneys-in-fact with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.2) or in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final non-appealable judgment. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents or attorneys-in-fact except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent

acted with gross negligence or willful misconduct in the selection of such sub-agents. The Administrative Agent shall not be deemed to have knowledge of any Default or Event of Default unless and until written notice thereof (which notice shall include an express reference to such event being a "Default" or "Event of Default" hereunder) is given to the Administrative Agent by Parent or any Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements, or other terms and conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article III or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent. The Administrative Agent may consult with legal counsel (including counsel for Parent and the Borrower) concerning all matters pertaining to such duties.

**Section 9.3**                    **Lack of Reliance on the Administrative Agent**. Each of the Lenders, the Swingline Lender and the Issuing Bank acknowledges that it has, independently and without reliance upon the Administrative Agent, the Issuing Bank or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each of the Lenders, the Swingline Lender and the Issuing Bank also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Issuing Bank or any other Lender and based on such documents and information as it has deemed appropriate, continue to make its own decisions in taking or not taking any action under or based on this Agreement, any related agreement or any document furnished hereunder or thereunder.

**Section 9.4**                    **Certain Rights of the Administrative Agent**. If the Administrative Agent shall request instructions from the Required Lenders with respect to any action or actions (including the failure to act) in connection with this Agreement, the Administrative Agent shall be entitled to refrain from such act or taking such act unless and until it shall have received instructions from such Lenders, and the Administrative Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, no Lender shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders where required by the terms of this Agreement.

**Section 9.5**                    **Reliance by the Administrative Agent**. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, posting or other distribution) believed by it to be genuine and to have been signed, sent or made by the proper Person. The Administrative Agent may also rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (including counsel for Parent and the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or not taken by it in accordance with the advice of such counsel, accountants or experts.

**Section 9.6**                    **The Administrative Agent in its Individual Capacity**. The bank serving as the Administrative Agent shall have the same rights and powers under this Agreement and any other Loan Document in its capacity as a Lender as any other Lender and may exercise or refrain from exercising the same as though it were not the Administrative Agent; and the terms "Lenders", "Required Lenders", "Required Revolving Lenders", or any similar terms shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity. The bank acting as the Administrative Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of business with Parent, the Borrower or any Subsidiary or Affiliate of the Borrower or Parent as if it were not the Administrative Agent hereunder.

**Section 9.7**                    **Successor Administrative Agent**.

(a)                    The Administrative Agent may resign at any time by giving notice thereof to the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Administrative Agent, subject to approval by the Borrower provided that no Default or Event of Default shall exist at such time. If no successor Administrative Agent shall have been so appointed, and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a commercial bank organized under the laws of the United States or any state thereof or a bank which maintains an office in the United States.

(b)                    Upon the acceptance of its appointment as the Administrative Agent hereunder by a successor, such successor Administrative Agent shall there-upon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. If, within 45 days after written notice is given of the retiring Administrative Agent's resignation under this Section, no successor Administrative Agent shall have been

appointed and shall have accepted such appointment, then on such 45<sup>th</sup> day (i) the retiring Administrative Agent's resignation shall become effective, (ii) the retiring Administrative Agent shall thereupon be discharged from its duties and obligations under the Loan Documents and (iii) the Required Lenders shall thereafter perform all duties of the retiring Administrative Agent under the Loan Documents until such time as the Required Lenders appoint a successor Administrative Agent as provided above. After any retiring Administrative Agent's resignation hereunder, the provisions of this Article shall continue in effect for the benefit of such retiring Administrative Agent and its representatives and agents in respect of any actions taken or not taken by any of them while it was serving as the Administrative Agent.

(c) In addition to the foregoing, if a Lender becomes, and during the period it remains, a Defaulting Lender, and if any Default has arisen from a failure of the Borrower to comply with Section 2.26(b), then the Issuing Bank and the Swingline Lender may, upon prior written notice to the Borrower and the Administrative Agent, resign as Issuing Bank or as Swingline Lender, as the case may be, effective at the close of business Atlanta, Georgia time on a date specified in such notice (which date may not be less than five (5) Business Days after the date of such notice).

**Section 9.8** Withholding Tax. To the extent required by any applicable law, the Administrative Agent may withhold from any interest payment to any Lender an amount equivalent to any applicable withholding tax. If the Internal Revenue Service or any authority of the United States or any other jurisdiction asserts a claim that the Administrative Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered or was not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason), such Lender shall indemnify the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrower and without limiting the obligation of the Borrower to do so) fully for all amounts paid, directly or indirectly, by the Administrative Agent as tax or otherwise, including penalties and interest, together with all expenses incurred, including legal expenses, allocated staff costs and any out of pocket expenses.

**Section 9.9** The Administrative Agent May File Proofs of Claim.

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or any Revolving Credit Exposure shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans or Revolving Credit Exposure and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Bank and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Issuing Bank and the Administrative Agent and its agents and counsel and all other amounts due the Lenders, the Issuing Bank and the Administrative Agent under Section 10.3) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same.

(b) Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the Issuing Bank to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders and the Issuing Bank, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 10.3.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

**Section 9.10** Authorization to Execute Other Loan Documents. Each Lender hereby authorizes the Administrative Agent to execute on behalf of all Lenders all Loan Documents (including, without limitation, the Collateral Documents, and any subordination agreements or intercreditor agreements) other than this Agreement.

**Section 9.11** **Collateral and Guaranty Matters**. The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion:

- (a) to release any Lien on any property granted to or held by the Administrative Agent under any Loan Document (i) upon the termination of all Revolving Commitments, the Cash Collateralization of all reimbursement obligations with respect to Letters of Credit in an amount equal to 105% of the aggregate LC Exposure of all Lenders, and the payment in full of all Obligations (other than contingent indemnification obligations and such Cash Collateralized reimbursement obligations), (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) if approved, authorized or ratified in writing in accordance with Section 10.2;
- (b) to release any Loan Party from its obligations under the applicable Collateral Documents if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder; and
- (c) to subordinate any Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.2(d).

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release its interest in particular types or items of property, or to release any Loan Party from its obligations under the applicable Collateral Documents pursuant to this Section. In each case as specified in this Section, the Administrative Agent is authorized, at the Borrower's expense, to execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the Liens granted under the applicable Collateral Documents, or to release such Loan Party from its obligations under the applicable Collateral Documents, in each case in accordance with the terms of the Loan Documents and this Section.

**Section 9.12** **Right to Realize on Collateral and Enforce Guarantee**. Anything contained in any of the Loan Documents to the contrary notwithstanding, Parent, the Borrower, the Administrative Agent and each Lender hereby agree that (i) no Lender shall have any right individually to realize upon any of the Collateral or to enforce the Collateral Documents, it being understood and agreed that all powers, rights and remedies hereunder and under the Collateral Documents may be exercised solely by the Administrative Agent, and (ii) in the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Administrative Agent, as agent for and representative of the Lenders (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing), shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Administrative Agent at such sale or other disposition.

**Section 9.13** **Secured Bank Product Obligations and Hedging Obligations**. No Bank Product Provider or Lender-Related Hedge Provider that obtains the benefits of Section 8.2, the Collateral Documents or any Collateral by virtue of the provisions hereof or of any other Loan Document shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document or otherwise in respect of the Collateral (including the release or impairment of any Collateral) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Bank Product Obligations and Hedging Obligations unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable Bank Product Provider or Lender-Related Hedge Provider, as the case may be.

**Section 9.14** **Syndication Agent**. Each Lender hereby designates each of Bank of America, N.A., Royal Bank of Canada, Fifth Third Bank, and Regions Bank as a Syndication Agent and agrees that no Syndication Agent shall have any duties or obligations under any Loan Documents to any Lender or any Loan Party.

## ARTICLE X

### MISCELLANEOUS

**Section 10.1** **Notices**.

- (a) **Written Notices**.

(i) All notices and other communications to any party herein to be effective shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy or electronic mail, as follows:

To any Loan Party: LendingTree, LLC  
1115 Rushmore Drive  
Charlotte, North Carolina 28277  
Attention: Chief Financial Officer  
Telecopy Number: (704) 541-1824  
E-mail: JD.Moriarty@lendingtree.com

and

LendingTree, LLC  
1115 Rushmore Drive  
Charlotte, North Carolina 28277  
Attention: General Counsel  
Telecopy Number: (704) 541-1824  
E-mail: Katharine.Pierce@lendingtree.com

With a copy to (for  
Information purposes only): Sheppard, Mullin, Richter & Hampton LLP  
333 S. Hope St., 43<sup>rd</sup> Floor  
Los Angeles, California 90071  
Attention: Brent E. Horstman  
Telecopy Number: (213) 443-2722  
E-mail: bhorstman@sheppardmullin.com

To the Administrative  
Agent: SunTrust Bank  
3333 Peachtree Road, N.E.  
7th Floor  
Atlanta, Georgia 30326  
Attention: Cynthia Burton  
Telecopy Number: (404) 926-5173  
E-mail: Cynthia.Burton@SunTrust.com

With a copy to (for  
Information purposes only): SunTrust Bank  
Agency Services  
303 Peachtree Street, N.E. / 25<sup>th</sup> Floor  
Atlanta, Georgia 30308  
Attention: Manager  
Telecopy Number: (404) 495-2170  
E-mail: Agency.Services@SunTrust.com

and

Jones Day  
1420 Peachtree Street, N.E.  
Suite 800  
Atlanta, Georgia 30309  
Attention: Aldo L. LaFiandra  
Telecopy Number: (404) 581-8330  
E-mail: alafiandra@jonesday.com

To the Issuing Bank: SunTrust Bank  
245 Peachtree Center Avenue, 17th Floor  
Mail Code 3707  
Atlanta, Georgia 30303  
Attention: Standby Letter of Credit Dept.  
Telephone Number: 800-951-7847  
E-mail: LCandTradeServices@SunTrust.com

To the Swingline Lender: SunTrust Bank  
Agency Services  
303 Peachtree Street, N.E. / 25<sup>th</sup> Floor  
Atlanta, Georgia 30308  
Attention: Manager  
Telecopy Number: (404) 495-2170  
E-mail: Agency.Services@SunTrust.com

To any other Lender: the address set forth in the Administrative Questionnaire or the  
Assignment and Assumption executed by such Lender

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All such notices and other communications shall be effective upon actual receipt by the relevant Person or, if delivered by overnight courier service, upon the first Business Day after the date deposited with such courier service for overnight (next-day) delivery or, if sent by telecopy, upon transmittal in legible form by facsimile machine or, if mailed, upon the third Business Day after the date deposited into the mail or, if delivered by hand, upon delivery or, if sent by electronic mail, as described in clause (b) below; provided that notices delivered to the Administrative Agent, the Issuing Bank or the Swingline Lender shall not be effective until actually received by such Person at its address specified in this Section.

(ii) Any agreement of the Administrative Agent, the Issuing Bank or any Lender herein to receive certain notices by telephone or facsimile is solely for the convenience and at the request of Parent and the Borrower. The Administrative Agent, the Issuing Bank and each Lender shall be entitled to rely on the authority of any Person purporting to be a Person authorized by Parent or the Borrower to give such notice and the Administrative Agent, the Issuing Bank and the Lenders shall not have any liability to Parent, the Borrower or other Person on account of any action taken or not taken by the Administrative Agent, the Issuing Bank or any Lender in reliance upon such telephonic or facsimile notice. The obligation of the Borrower to repay the Loans and all other Obligations hereunder shall not be affected in any way or to any extent by any failure of the Administrative Agent, the Issuing Bank or any Lender to receive written confirmation of any telephonic or facsimile notice or the receipt by the Administrative Agent, the Issuing Bank or any Lender of a confirmation which is at variance with the terms understood by the Administrative Agent, the Issuing Bank and such Lender to be contained in any such telephonic or facsimile notice.

(b) Electronic Communications.

(i) Notices and other communications to the Lenders and the Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the Issuing Bank if such Lender or such Issuing Bank, as applicable, has notified the Administrative Agent that it is incapable of receiving, or is unwilling to receive, notices by electronic communication. The Administrative Agent, Parent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(ii) Unless the Administrative Agent otherwise prescribes, (A) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement) and (B) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (A) of notification that such notice or communication is available and identifying the website address therefor; provided that, in the case of clauses (A) and (B) above, if such notice or other communication is not sent during the normal business hours of the recipient, such notice or



communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(iii) Each of the Parent and Borrower agrees that the Administrative Agent may, but shall not be obligated to, make Communications (as defined below) available to the Issuing Bank and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar electronic system.

(iv) THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE.” NEITHER THE ADMINISTRATIVE AGENT NOR ANY OF ITS RELATED PARTIES WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS IN THE COMMUNICATIONS (AS DEFINED BELOW) AND FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OR MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties have any liability to any Loan Party or any of their respective Subsidiaries, any Lender, any Issuing Bank or any other Person or entity for losses, claims, damages, liabilities or expenses of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses, whether or not based on strict liability (whether in tort, contract or otherwise), arising out of any Loan Party’s or the Administrative Agent’s transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the Administrative Agent or such Related Party; provided, however, that in no event shall the Administrative Agent or any Related Party have any liability to any Loan Party or any of their respective Subsidiaries, any Lender, any Issuing Bank or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages) arising out of any Loan Party’s or the Administrative Agent’s transmission of Communications. “Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or the Issuing Bank by means of electronic communications pursuant to this Section, including through the Platform.

**Section 10.2** **Waiver; Amendments.**

(a) No failure or delay by the Administrative Agent, the Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document, and no course of dealing between Parent and/or the Borrower and the Administrative Agent or any Lender, shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power hereunder or thereunder. The rights and remedies of the Administrative Agent, the Issuing Bank and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies provided by law. No waiver of any provision of this Agreement or of any other Loan Document or consent to any departure by Parent and/or the Borrower therefrom shall in any event be effective unless the same shall be permitted by subsection (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or the issuance of a Letter of Credit shall not be construed as a waiver of any Default or Event of Default, regardless of whether the Administrative Agent, any Lender or the Issuing Bank may have had notice or knowledge of such Default or Event of Default at the time.

(b) No amendment or waiver of any provision of this Agreement or of the other Loan Documents (other than the Fee Letter), nor consent to any departure by Parent and/or the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by Parent, the Borrower and the Required Lenders, or Parent, the Borrower and the Administrative Agent with the consent of the Required Lenders, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that, in addition to the consent of the Required Lenders, no amendment, waiver or consent shall:

- (i) increase the Commitment of any Lender without the written consent of such Lender;

Confidential portions of this document have been redacted and filed separately with the Commission.

(ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees or other amounts payable hereunder, without the written consent of each Lender affected thereby (except that any amendment or modification of defined terms used in the financial covenant set forth in Article VI or waiver of post-default rates of interest shall not constitute a reduction in the rate of interest or fees for purposes of this clause (ii));

(iii) postpone the date fixed for any payment of any principal of, or interest on, any Loan or LC Disbursement or any fees or other amounts hereunder or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date for the termination or reduction of any Commitment, without the written consent of each Lender affected thereby (it being understood that a waiver of any condition precedent or the waiver of any Default, Event of Default or mandatory prepayment shall not constitute a postponement, waiver, extension or increase of any Loan or Commitment hereunder);

(iv) change Section 8.2 in a manner that would alter the *pro rata* sharing of payments or order of application required thereby without the written consent of each Lender;

(v) change Section 2.21(b) or (c) in a manner that would alter the *pro rata* sharing of payments required thereby, without the written consent of each Lender;

(vi) change any of the provisions of this subsection (b) or the definition of "Required Lenders" or "Required Revolving Lenders" any other provision hereof specifying the number or percentage of Lenders which are re-quired to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the consent of each Lender directly affected thereby;

(vii) release or limit the liability of all or substantially all of the guarantors under any guaranty agreement guaranteeing any of the Obligations, without the written consent of each Lender; or

(viii) release all or substantially all of the Collateral securing any of the Obligations, without the written consent of each Lender;

provided, further, that no such amendment, waiver or consent shall amend, modify or otherwise affect the rights, duties or obligations of the Administrative Agent, the Swingline Lender or the Issuing Bank without the prior written consent of such Person.

Notwithstanding anything to the contrary herein, (A) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitment of such Lender may not be increased or extended, and amounts payable to such Lender hereunder may not be permanently reduced, without the consent of such Lender (other than reductions in fees and interest in which such reduction does not disproportionately affect such Lender), (B) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender which affects any Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender, (C) subject to Section 2.25, this Agreement may be amended and restated without the consent of any Lender (but with the consent of Parent, the Borrower and the Administrative Agent) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated (but such Lender shall continue to be entitled to the benefits of Sections 2.18, 2.19, 2.20 and 10.3), such Lender shall have no other commitment or other obligation hereunder and such Lender shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement, (D) the Administrative Agent may, with the consent of Parent and the Borrower only, amend, modify or supplement this Agreement or any of the other Loan Documents to cure any ambiguity, omission, mistake, defect or inconsistency so long as, in each case, the Lenders shall have received at least five (5) Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five (5) Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment, and (E) the conditions of Section 3.2 hereof with respect to the Revolving Loans and Letters of Credit shall not be deemed satisfied by virtue of any waiver of an existing Default or Event of Default unless such waiver shall be consented to by Required Revolving Lenders.

### **Section 10.3**

#### **Expenses; Indemnification**

(a) The Borrower shall pay (i) all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent and its Affiliates, including the reasonable and documented fees, charges and disbursements of counsel for the Administrative Agent and its Affiliates, in connection with the syndication of the credit facilities provided for herein, the preparation, administration and enforcement of the Loan Documents and any amendments, modifications or waivers thereof (whether or not the transactions contemplated in this Agreement or any other Loan Document shall be consummated), including the reasonable and documented fees, charges and disbursements of counsel for the

Administrative Agent and its Affiliates, (ii) all reasonable and documented out-of-pocket expenses incurred by the Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) not in limitation of the obligations under clauses (i) and (ii) above, all reasonable and documented out-of-pocket costs and expenses (including, without limitation, the reasonable and documented fees, charges and disbursements of outside counsel and consultants) incurred by the Administrative Agent, the Sole Arranger, the Issuing Bank or any Lender in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section, or in connection with the Loans made or any Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit; provided, that the fees, charges and disbursements of outside counsel paid under this clause (iii) shall be limited to the reasonable and documented fees, charges and disbursements of one outside counsel to the Administrative Agent and one outside counsel to the Lenders, taken as a whole, and, solely in the case of an actual or perceived conflict of interest, one additional outside counsel to all affected persons taken as a whole, and, if necessary, of one local outside counsel to the Administrative Agent and one local outside counsel to the Lenders, taken as a whole, in any relevant material jurisdiction to the Administrative Agent and Lenders and, solely in the case of an actual or perceived conflict of interest, one additional outside local counsel to all affected persons, taken as a whole.

(b) The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), the Sole Arranger, each Lender and the Issuing Bank, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable and documented out-of-pocket fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any property owned or operated by Parent or any of its Subsidiaries, or any Environmental Liability related in any way to Parent or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by Parent, the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from (x) the gross negligence or willful misconduct of such Indemnitee, (y) a claim brought by the Borrower or any other Loan Party against an Indemnitee for a material breach of such Indemnitee’s funding obligations hereunder or (z) a proceeding brought by an Indemnitee against another Indemnitee (other than a proceeding brought by an Indemnitee against the Administrative Agent, the Issuing Bank, the Swingline Lender, or any other agent, in each case in its capacity as Administrative Agent, Issuing Bank, Swingline Lender, or other agent, as applicable). No Indemnitee shall be liable for any damages arising from the use by others of any information or other materials obtained through Syndtrak, Intralinks or any other Internet or intranet website, except as a result of such Indemnitee’s gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable judgment.

(c) The Borrower shall pay, and hold the Administrative Agent, the Issuing Bank and each of the Lenders harmless from and against, any and all present and future stamp, documentary, and other similar taxes with respect to this Agreement and any other Loan Documents, any collateral described therein or any payments due thereunder, and save the Administrative Agent, the Issuing Bank and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay or omission to pay such taxes.

(d) To the extent that the Borrower fails to pay any amount required to be paid to the Administrative Agent, the Issuing Bank or the Swingline Lender under subsection (a), (b) or (c) hereof, each Lender severally agrees to pay to the Administrative Agent, the Issuing Bank or the Swingline Lender, as the case may be, such Lender’s *pro rata* share (in accordance with its respective Revolving Commitment (or Revolving Credit Exposure, as applicable) and Loans determined as of the time that the unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified payment, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent, the Issuing Bank or the Swingline Lender in its capacity as such.

(e) To the extent permitted by applicable law, neither Parent nor the Borrower shall assert, and each of Parent and the Borrower hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to actual or direct damages) arising out of, in connection with or as a result of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated therein, any Loan or any Letter of Credit or the use of proceeds thereof; provided that nothing in this clause (e) shall relieve the Borrower of any obligation it may have to indemnify any Indemnitee against special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(f) All amounts due under this Section shall be payable promptly after written demand therefor.

**Section 10.4** **Successors and Assigns**.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither Parent nor the Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (f) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments, Loans and other Revolving Credit Exposure at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitments, Loans and other Revolving Credit Exposure at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans and Revolving Credit Exposure outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans and Revolving Credit Exposure of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$1,000,000 and in minimum increments of \$1,000,000, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans, other Revolving Credit Exposure or the Commitments assigned, except that this subsection (b)(ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Commitments on a non- *pro rata* basis.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Revolving Lender, an Affiliate of such Revolving Lender or an Approved Fund of such Revolving Lender;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required unless such assignment is (x) an assignment of all or any portion of the Revolving Commitment, Revolving Loans, or other Revolving Credit Exposure to a Revolving Lender or an Affiliate of a Revolving Lender (provided that such Affiliate shall be of substantially the same credit quality as the assignor Revolving Lender) or (y) an assignment of all or any portion of the Incremental Term Loans to a Lender, an Affiliate of a Lender, or an Approved Fund of a Lender; and

(C) the consent of the Issuing Bank (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding), and the consent of the Swingline Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the Revolving Commitments.

(iv) Assignment and Assumption. The parties to each assignment shall deliver to the Administrative Agent (A) a duly executed Assignment and Assumption, (B) a processing and recordation fee of \$3,500, (C) an Administrative Questionnaire unless the assignee is already a Lender and (D) the documents required under Section 2.20(e).

(v) No Assignment to the certain Persons. No such assignment shall be made to (A) Parent or any of Parent's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B) or (C) so long as no Event of Default is in existence, any Disqualified Institution. Upon the request of any Lender, the Administrative Agent shall provide to such Lender the current list of Disqualified Institutions provided by the Borrower pursuant to the terms of the definitions of "Competitor" and "Disqualified Lender."

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Issuing Bank, the Swingline Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swingline Loans. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.18, 2.19, 2.20 and 10.3 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided that, except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section. If the consent of the Borrower to an assignment is required hereunder (including a consent to an assignment which does not meet the minimum assignment thresholds specified above), the Borrower shall be deemed to have given its consent unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after notice thereof has actually been delivered by the assigning Lender (through the Administrative Agent) to the Borrower.

The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in Atlanta, Georgia a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans and Revolving Credit Exposure owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. Information contained in the Register with respect to any Lender shall be available for inspection by such Lender at any reasonable time and from time to time upon reasonable prior notice; information contained in the Register shall also be available for inspection by the Borrower at any reasonable time and from time to time upon reasonable prior notice. In establishing and maintaining the Register, the Administrative Agent shall serve as the Borrower’s agent solely for tax purposes and solely with respect to the actions described in this Section, and the Borrower hereby agrees that, to the extent SunTrust Bank serves in such capacity, SunTrust Bank and its officers, directors, employees, agents, sub-agents and affiliates shall constitute “Indemnitees”.

(c) Any Lender may at any time, without the consent of, or notice to, Parent, the Borrower, the Administrative Agent, the Swingline Lender or the Issuing Bank, sell participations to any Person (other than a natural person, Parent or any of Parent’s Affiliates or Subsidiaries or a Disqualified Institution) (each, a “Participant”) in all or a portion of such Lender’s rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the Issuing Bank, the Swingline Lender and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver with respect to the following to the extent affecting such Participant: (i) increase the Commitment of such Lender; (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder; (iii) postpone the date fixed for any payment of any principal of, or interest on, any Loan or LC Disbursement or any fees hereunder or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date for the termination or reduction of any Commitment; (iv) change Section 2.21(b) or (c) in a manner that would alter the *pro rata* sharing of payments required thereby; (v) change any of the provisions of Section 10.2(b) or the definition of “Required Lenders” or “Required Revolving Lenders” or any other provision hereof specifying the number or percentage of Lenders which are required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder; (vi) release all or substantially all of the guarantors, or limit the liability of such guarantors, under any guaranty agreement guaranteeing any of the Obligations; or (vii) release all or substantially all collateral (if any) securing any of the Obligations. Subject to subsection (e) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.18, 2.19, and 2.20 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section; provided that such Participant agrees to be subject to Section 2.24 as though it were a Lender. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.7 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.21 as though it were a Lender.

Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register in the United States on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant’s interest in the Loans or other obligations under the Loan Documents (the “Participant Register”). The entries in the Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. The Borrower and the Administrative Agent shall have inspection rights to such Participant Register (upon reasonable prior notice to the applicable Lender) solely for purposes of demonstrating that such Loans or other obligations under the Loan Documents are in “registered form” for purposes of the Code. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) A Participant shall not be entitled to receive any greater payment under Sections 2.18 and 2.20 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower’s prior written consent. A Participant shall not be entitled to the benefits of Section 2.20 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.20(e) and (f) as though it were a Lender.

(e) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including, without limitation, any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the Administrative Agent shall not (i) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (ii) have any liability with respect to or arising out of any assignment or participation of Loans or Commitments, or disclosure of confidential information, to any Disqualified Institution.

**Section 10.5** **Governing Law; Jurisdiction; Consent to Service of Process**

(a) This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be construed in accordance with and be governed by the law (without giving effect to the conflict of law principles thereof) of the State of New York.

(b) Each of Parent and the Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York, and of the Supreme Court of the State of New York sitting in New York County, and of any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such District Court or such New York state court, to the extent permitted by applicable law, such appellate court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Parent, the Borrower or their respective properties in the courts of any jurisdiction.

(c) Each of Parent and the Borrower irrevocably and unconditionally waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding described in subsection (b) of this Section and brought in any court referred to in subsection (b) of this Section. Each of the parties hereto irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to the service of process in the manner provided for notices in Section 10.1. Nothing in this Agreement or in any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

**Section 10.6** **WAIVER OF JURY TRIAL**. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**Section 10.7** **Right of Set-off**. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, each Lender and the Issuing Bank shall have the right, at any time or from time to time upon the occurrence and during the continuance of an Event of Default, without prior notice to Parent or the Borrower, any such notice being expressly waived by Parent and the Borrower to the extent permitted by applicable law, to set off and apply against all deposits (general or special, time or demand, provisional or final) of Parent and/or the Borrower at any time held or other obligations at any time owing by such Lender and the Issuing Bank to or for the credit or the account of Parent and/or the Borrower against

any and all Obligations held by such Lender or the Issuing Bank, as the case may be, irrespective of whether such Lender or the Issuing Bank shall have made demand hereunder and although such Obligations may be unmatured; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.26(b) and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Banks, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. Each Lender and the Issuing Bank agrees promptly to notify the Administrative Agent, Parent and the Borrower after any such set-off and any application made by such Lender or the Issuing Bank, as the case may be; provided that the failure to give such notice shall not affect the validity of such set-off and application. Each Lender and the Issuing Bank agrees to apply all amounts collected from any such set-off to the Obligations before applying such amounts to any other Indebtedness or other obligations owed by Parent, the Borrower and any of their respective Subsidiaries to such Lender or the Issuing Bank.

**Section 10.8** Counterparts; Integration. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. This Agreement, the Fee Letter, the other Loan Documents, and any separate letter agreements relating to any fees payable to the Administrative Agent and its Affiliates constitute the entire agreement among the parties hereto and thereto and their affiliates regarding the subject matters hereof and thereof and supersede all prior agreements and understandings, oral or written, regarding such subject matters. Delivery of an executed counterpart to this Agreement or any other Loan Document by facsimile transmission or by electronic mail in pdf format shall be as effective as delivery of a manually executed counterpart hereof.

**Section 10.9** Survival. All covenants, agreements, representations and warranties made by Parent and/or the Borrower herein and in the certificates, reports, notices or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the other Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.18, 2.19, 2.20, and 10.3 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

**Section 10.10** Severability. Any provision of this Agreement -or any other Loan Document held to be illegal, invalid or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such illegality, invalidity or unenforceability without affecting the legality, validity or enforceability of the remaining provisions hereof or thereof; and the illegality, invalidity or unenforceability of a particular provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**Section 10.11** Confidentiality. Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to take normal and reasonable precautions to maintain the confidentiality of any information relating to Parent or any of its Subsidiaries or any of their respective businesses, to the extent designated in writing as confidential and provided to it by Parent or any of its Subsidiaries, other than any such information that is available to the Administrative Agent, the Issuing Bank or any Lender on a non-confidential basis prior to disclosure by Parent or any of its Subsidiaries, except that such information may be disclosed (i) to any Related Party of the Administrative Agent, the Issuing Bank or any such Lender including, without limitation, accountants, legal counsel and other advisors, (ii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (iii) to the extent requested by any regulatory agency or authority purporting to have jurisdiction over it (including any self-regulatory authority such as the National Association of Insurance Commissioners), (iv) to the extent that such information becomes publicly available other than as a result of a breach of this Section, or which becomes available to the Administrative Agent, the Issuing Bank, any Lender or any Related Party of any of the foregoing on a non-confidential basis from a source other than Parent or any of its Subsidiaries, (v) in connection with the exercise of any remedy hereunder or under any other Loan Documents or any suit, action or proceeding relating to this Agreement or any other Loan Documents or the enforcement of rights hereunder or thereunder, (vi) subject to execution by such Person of an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement, or (B) any actual or prospective party (or its Related Parties) to any swap or derivative or other transaction under which payments are to be made by reference to Parent, the Borrower and their respective obligations, this Agreement or payments hereunder, (vii) to any rating agency, (viii) to the CUSIP Service Bureau or any similar organization, (ix)



by the Administrative Agent, the Issuing Bank and the Lenders in connection with marketing, press releases or other transactional announcements or updates provided to investor or trade publications, including, but not limited to, the placement of “tombstone” advertisements in publications of their choice at their own expense, or (x) with the consent of Parent and the Borrower. Any Person required to maintain the confidentiality of any information as provided for in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such information as such Person would accord its own confidential information. In the event of any conflict between the terms of this Section and those of any other Contractual Obligation entered into with any Loan Party (whether or not a Loan Document), the terms of this Section shall govern.

**Section 10.12**                    **Interest Rate Limitation**. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which may be treated as interest on such Loan under applicable law (collectively, the “Charges”), shall exceed the maximum lawful rate of interest (the “Maximum Rate”) which may be contracted for, charged, taken, received or reserved by a Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Rate to the date of repayment (to the extent permitted by applicable law), shall have been received by such Lender.

**Section 10.13**                    **Waiver of Effect of Corporate Seal**. Each of Parent and the Borrower represents and warrants that neither it nor any other Loan Party is required to affix its corporate seal to this Agreement or any other Loan Document pursuant to any Requirement of Law, agrees that this Agreement is delivered by Parent and the Borrower under seal and waives any shortening of the statute of limitations that may result from not affixing the corporate seal to this Agreement or such other Loan Documents.

**Section 10.14**                    **Patriot Act**. The Administrative Agent and each Lender hereby notifies the Loan Parties that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of such Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the Patriot Act.

**Section 10.15**                    **No Advisory or Fiduciary Responsibility**. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each of Parent, the Borrower and each other Loan Party acknowledges and agrees and acknowledges its Affiliates’ understanding that (i) (A) the services regarding this Agreement provided by the Administrative Agent and/or the Lenders are arm’s-length commercial transactions between Parent, the Borrower, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent and the Lenders, on the other hand, (B) each of Parent, the Borrower and the other Loan Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate, and (C) each of Parent, the Borrower and each other Loan Party is capable of evaluating and understanding, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Administrative Agent and the Lenders is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower, any other Loan Party or any of their respective Affiliates, or any other Person, Parent, and (B) neither the Administrative Agent nor any Lender has any obligation to Parent, the Borrower, any other Loan Party or any of their Affiliates with respect to the transaction contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of Parent, the Borrower, the other Loan Parties and their respective Affiliates, and each of the Administrative Agent and the Lenders has no obligation to disclose any of such interests to Parent, the Borrower, any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each of Parent, the Borrower and the other Loan Parties hereby waives and releases any claims that it may have against the Administrative Agent or any Lender with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

**Section 10.16**                    **Joint and Several Obligations**. Parent and the Borrower hereby acknowledge and agree that all obligations and liabilities of Parent and the Borrower hereunder shall be joint and several.

**Section 10.17**                    **Acknowledgement and Consent to Bail-In of EEA Financial Institutions**. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and
- (b) the effects of any Bail-in Action on any such liability, including, if applicable:
  - (i) a reduction in full or in part or cancellation of any such liability;
  - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
  - (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

**Section 10.18** **Amendment and Restatement**

(a) This Agreement constitutes an amendment and restatement of the Existing Credit Agreement, effective from and after the Restatement Date. The execution and delivery of this Agreement shall not constitute a novation of any indebtedness or other obligations owing to the Lenders or the Administrative Agent under the Existing Credit Agreement based on facts or events occurring or existing prior to the execution and delivery of this Agreement. On the Restatement Date, the credit facilities described in the Existing Credit Agreement, shall be amended, supplemented, modified and restated in their entirety by the facilities described herein, and all loans and other obligations of the Borrower outstanding as of such date under the Existing Credit Agreement, shall be deemed to be loans and obligations outstanding under the corresponding facilities described herein, without any further action by any Person, except that the Administrative Agent shall make such transfers of funds as are necessary in order that the outstanding balance of such Loans, together with any Loans funded on the Restatement Date, reflect the respective Revolving Commitment of the Lenders hereunder.

(b) Each Loan Party acknowledges and agrees that the security interests and Liens (as defined in the Existing Credit Agreement) granted to the Administrative Agent pursuant to the Existing Credit Agreement and the other Collateral Documents (as defined in the Existing Credit Agreement), shall remain outstanding and in full force and effect, without interruption or impairment of any kind, in accordance with the Existing Credit Agreement and shall continue to secure the Obligations.

(c) The Parent and each of its Subsidiaries acknowledge and agree that any causes of action or other rights created in favor of any Lender and its successors in connection with the Existing Credit Agreement or any other Loan Document executed in connection therewith prior to the Restatement Date shall survive the execution and delivery of this Agreement. All indemnification obligations of the Parent and its Subsidiaries arising pursuant to the Existing Credit Agreement shall survive the amendment and restatement of the Existing Credit Agreement pursuant to this Agreement.

**Section 10.19** **Certain ERISA Matters**

(a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Sole Arranger, and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

- (i) such Lender is not using “plan assets” (within the meaning of 29 CFR §2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,
- (ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption

for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party thereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Sole Arranger, and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that:

(i) none of the Administrative Agent, the Sole Arranger, or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto),

(ii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is independent (within the meaning of 29 CFR § 2510.3-21) and is a bank, an insurance carrier, an investment adviser, a broker-dealer or other person that holds, or has under management or control, total assets of at least \$50 million, in each case as described in 29 CFR § 2510.3-21(c)(1)(i)(A)-(E),

(iii) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies (including in respect of the Obligations),

(iv) the Person making the investment decision on behalf of such Lender with respect to the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement is a fiduciary under ERISA or the Code, or both, with respect to the Loans, the Letters of Credit, the Commitments and this Agreement and is responsible for exercising independent judgment in evaluating the transactions hereunder, and

(v) no fee or other compensation is being paid directly to the Administrative Agent, the Sole Arranger or any of their respective Affiliates for investment advice (as opposed to other services) in connection with the Loans, the Letters of Credit, the Commitments or this Agreement.

(c) The Administrative Agent and the Sole Arranger hereby inform the Lenders that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees,

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utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

*(remainder of page left intentionally blank)*

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

**LENDINGTREE, LLC**

By: /s/ J.D. Moriarty

Name: J.D. Moriarty

Title: CFO

**LENDINGTREE, INC.**

By: /s/ J.D. Moriarty

Name: J.D. Moriarty

Title: CFO

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**SUNTRUST BANK**

as the Administrative Agent, the Issuing Bank, the Swingline Lender and a Lender

By: /s/ Cynthia W. Burton

Name: Cynthia W. Burton

Title: Director

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**BANK OF AMERICA, N.A.**

as a Lender

By: /s/ Charles R. Dickerson

Name: Charles R. Dickerson

Title: Senior Vice President

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**ROYAL BANK OF CANADA**

as a Lender

By: /s/ J. Christian Gutierrez

Name: J. Christian Gutierrez

Title: Authorized Signatory

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**FIFTH THIRD BANK**

as a Lender

By: /s/ Jodie R. Ayres

Name: Jodie R. Ayres

Title: Vice President

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**REGIONS BANK**

as a Lender

By: /s/ Jason Douglas

Name: Jason Douglas

Title: Director

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**JPMORGAN CHASE BANK, N.A.**  
as a Lender

By: /s/ Justin Burton

Name: Justin Burton

Title: Vice President

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**GOLDMAN SACHS BANK USA**

as a Lender

By: /s/ Rebecca Kratz

Name: Rebecca Kratz

Title: Authorized Signatory

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**IMPORTANT NOTE TO INVESTORS:** (1) the representations and warranties contained in the agreement were made for the purposes of allocating contractual risk between the parties and not as a means of establishing facts; (2) the agreement may have different standards of materiality than standards of materiality under applicable securities laws; (3) the representations are qualified by a confidential disclosure schedule that contains some nonpublic information that is not material under applicable securities laws; (4) facts may have changed since the date of the agreement; and (5) only parties to the agreement and specified third-party beneficiaries have a right to enforce the agreement.

**SCHEDULE I**

**Applicable Margin and Applicable Percentage**

<b>Pricing Level</b>	<b>Consolidated Total Net Leverage Ratio</b>	<b>Applicable Margin for Eurodollar Loans</b>	<b>Applicable Margin for Base Rate Loans</b>	<b>Applicable Percentage for Commitment Fee</b>
I	Greater than 3.50 to 1.00	2.00%	1.00%	0.45%
II	Greater than to 2.50 to 1.00 but less than or equal 3.50 to 1.00	1.75%	0.75%	0.35%
III	Greater than 1.50 to 1.00 but less than or equal to 2.50 to 1.00	1.50%	0.50%	0.30%
IV	Less than or equal to 1.50 to 1.00	1.25%	0.25%	0.25%

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**Commitment Amounts**

<b>Lender</b>	<b>Revolving Commitment Amount</b>
SunTrust Bank	\$[***]
Bank of America, N.A.	\$[***]
Royal Bank of Canada	\$[***]
Fifth Third Bank	\$[***]
Regions Bank	\$[***]
JPMorgan Chase Bank, N.A.	\$[***]
Goldman Sachs Bank USA	\$[***]
<b>Total</b>	<b>\$250,000,000</b>

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**Immaterial Subsidiaries**

1. HLC Escrow, Inc., a California corporation
  2. LT Real Estate, Inc., a Delaware corporation
  3. Rexford Office Holdings, LLC, a Delaware limited liability company
  4. Home Loan Center, Inc., a California corporation
  5. LT India Holding Company, LLC, a Delaware limited liability company
  6. DegreeTree, Inc., a Delaware corporation
  7. Tree.com BU Holding Company, Inc., a Delaware corporation
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**Subsidiary Loan Parties**

1. LendingTree, LLC, a Delaware limited liability company
  2. Iron Horse Holdings, LLC, a Delaware limited liability company
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**Environmental Matters**

None.

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Subsidiaries

<u>Owner</u>	<u>Name of Subsidiary</u>	<u>Jurisdiction and Type of Entity</u>	<u>Ownership Interest</u>	<u>Loan Party (yes or no)</u>
LendingTree, Inc.	LendingTree, LLC	Delaware limited liability company	100%	Yes
LendingTree, LLC	DegreeTree, Inc.	Delaware corporation	100%	No
LendingTree, LLC	Tree.com BU Holding Company, Inc.	Delaware corporation	100%	No
LendingTree, LLC	Iron Horse Holdings, LLC	Delaware limited liability company	100%	Yes
LendingTree, LLC	Home Loan Center, Inc.	California corporation	100%	No
Home Loan Center, Inc.	HLC Escrow, Inc.	California corporation	100%	No
LendingTree, LLC	LT Real Estate, Inc.	Delaware corporation	100%	No
LendingTree, LLC	LT India Holding Company, LLC	Delaware limited liability company	100%	No
LendingTree, LLC	Rexford Office Holdings, LLC	Delaware limited liability company	100%	No

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**Deposit and Disbursement Accounts**

<u>Name and Address of Depository Institution</u>	<u>Account Number</u>	<u>Type of Account</u>	<u>Owner</u>
Bank of America, Dallas, TX Scott McGeein, Bank of America NC1-028-13-05 150 North College Street Charlotte, NC 28255 980-386-1125	[***]	Checking	LendingTree, LLC
Bank of America, Atlanta, GA Scott McGeein, Bank of America NC1-028-13-05 150 North College Street Charlotte, NC 28255 980-386-1125	[***]	Checking	LendingTree, LLC
Bank of America, Dallas, TX Scott McGeein, Bank of America NC1-028-13-05 150 North College Street Charlotte, NC 28255 980-386-1125	[***]	Lockbox	LendingTree, LLC
Bank of America, Dallas, TX Scott McGeein, Bank of America NC1-028-13-05 150 North College Street Charlotte, NC 28255 980-386-1125	[***]	Checking	LendingTree, LLC
Bank of America, Dallas, TX Scott McGeein, Bank of America NC1-028-13-05 150 North College Street Charlotte, NC 28255 980-386-1125	[***]	Demand Deposit	LendingTree, LLC
Bank of America, Dallas, TX Scott McGeein, Bank of America NC1-028-13-05 150 North College Street Charlotte, NC 28255 980-386-1125	[***]	Checking	Iron Horse Holdings, LLC
Bank of America, Dallas, TX Scott McGeein, Bank of America NC1-028-13-05 150 North College Street Charlotte, NC 28255 980-386-1125	[***]	Lockbox	Iron Horse Holdings, LLC
JPMorgan Chase, San Antonio, TX Matt Tugwell, JPMorgan Chase & Co. 6000 Fairview Road, Suite 1233 Charlotte, NC 28210 704-544-4271	[***]	Checking	LendingTree, LLC
JPMorgan Chase, San Antonio, TX Matt Tugwell, JPMorgan Chase & Co. 6000 Fairview Road, Suite 1233 Charlotte, NC 28210 704-544-4271	[***]	Checking	LendingTree, LLC
HSBC Bank USA, NA, NY, NY Linda J. Kelly, HSBC Bank 168 Centre Street, 2 <sup>nd</sup> Floor New York, NY 10003 646-344-8259	[***]	Checking	LendingTree, LLC

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Fifth Third Bank 5050 Kingsley Drive MD 1MOB2D Cincinnati, OH 45263	***	Escrow	LendingTree, LLC
ServisFirst Bank P.O. Box 1508 Birmingham, AL 35201-1508	***	Escrow	LendingTree, LLC
Fifth Third Bank 5050 Kingsley Drive MD 1MOB2D Cincinnati, OH 45263	***	Escrow	LendingTree, LLC
Fifth Third Bank 5050 Kingsley Drive MD 1MOB2D Cincinnati, OH 45263	***	Escrow	LendingTree, LLC

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**Existing Indebtedness**

None.

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**Existing Liens**

None.

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**Existing Investments**

**Securities Accounts**

<b>Name and Address of Securities Intermediary:</b>	<b>Merrill Lynch, Pierce, Fenner &amp; Smith, Inc., Lakewood, NJ</b>
<b>Account Number:</b>	[***]

<b>Name and Address of Securities Intermediary:</b>	<b>Goldman Sachs &amp; Co. LLC</b>
<b>Account Number:</b>	[***]

<b>Name and Address of Securities Intermediary:</b>	<b>Citigroup Inc.</b>
<b>Account Number:</b>	[***]

**Securities**

<b>Name and Address of Securities Issuer:</b>	LendingTree, Inc. owns 100% of the membership interests of LendingTree, LLC.
<b>Type of Equity Interest Evidenced by Such Securities:</b>	Membership Interests
<b>Certificated or Uncertificated:</b>	Uncertificated
<b>If Certificated, Certificate Numbers, and Number of Shares or Other Type of Equity Interest Evidenced by Such Certificates:</b>	n/a

<b>Name and Address of Securities Issuer:</b>	LendingTree, LLC owns 100% of the outstanding equity of Rexford Office Holdings, LLC.
<b>Type of Equity Interest Evidenced by Such Securities:</b>	Membership Interest
<b>Certificated or Uncertificated:</b>	uncertificated
<b>If Certificated, Certificate Numbers, and Number of Shares or Other Type of Equity Interest Evidenced by Such Certificates:</b>	n/a

<b>Name and Address of Securities Issuer:</b>	[***]
<b>Type of Equity Interest Evidenced by Such Securities:</b>	Common Stock
<b>Certificated or Uncertificated:</b>	Certificated
<b>If Certificated, Certificate Numbers, and Number of Shares or Other Type of Equity Interest Evidenced by Such Certificates:</b>	Certificate No. P-1: 1,800 shares of Preferred Stock Certificate No. A-1: 950 shares of Class A Common Stock

<b>Name and Address of Securities Issuer:</b>	Home Loan Center, Inc. owns all of the outstanding equity of HLC Escrow, Inc.
<b>Type of Equity Interest Evidenced by Such Securities:</b>	Common Stock
<b>Certificated or Uncertificated:</b>	Certificated
<b>If Certificated, Certificate Numbers, and Number of Shares or Other Type of Equity Interest Evidenced by Such Certificates:</b>	Certificate No. 1: 10,000 shares of Common Stock

<b>Name and Address of Securities Issuer:</b>	LendingTree, LLC owns 100% of the outstanding equity of Iron Horse Holdings, LLC.
<b>Type of Equity Interest Evidenced by Such Securities:</b>	Membership Interest
<b>Certificated or Uncertificated:</b>	Uncertificated
<b>If Certificated, Certificate Numbers, and Number of Shares or Other Type of Equity Interest Evidenced by Such Certificates:</b>	n/a

<b>Name and Address of Securities Issuer:</b>	LendingTree, LLC owns 100% of the outstanding equity of LT India Holding Company, LLC.
<b>Type of Equity Interest Evidenced by Such Securities:</b>	Membership Interest
<b>Certificated or Uncertificated:</b>	uncertificated
<b>If Certificated, Certificate Numbers, and Number of Shares or Other Type of Equity Interest Evidenced by Such Certificates:</b>	n/a

<b>Name and Address of Securities Issuer:</b>	LendingTree, LLC owns 100% of the outstanding equity of LT Real Estate, Inc..
<b>Type of Equity Interest Evidenced by Such Securities:</b>	Common Stock
<b>Certificated or Uncertificated:</b>	Certificated
<b>If Certificated, Certificate Numbers, and Number of Shares or Other Type of Equity Interest Evidenced by Such Certificates:</b>	Certificate No. 2: 1,000 shares of Common Stock

<b>Name and Address of Securities Issuer:</b>	LendingTree, LLC owns 100% of the outstanding equity of DegreeTree, Inc..
<b>Type of Equity Interest Evidenced by Such Securities:</b>	Common Stock
<b>Certificated or Uncertificated:</b>	Certificated
<b>If Certificated, Certificate Numbers, and Number of Shares or Other Type of Equity Interest Evidenced by Such Certificates:</b>	Certificate No. A-1: 950 shares of Class A Common Stock Certificate No. P-1: 170 shares of Preferred Stock

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<b>Name and Address of Securities Issuer:</b>	LendingTree, LLC owns 100% of the outstanding equity of Home Loan Center, Inc.
<b>Type of Equity Interest Evidenced by Such Securities:</b>	Common Stock
<b>Certificated or Uncertificated:</b>	Certificated
<b>If Certificated, Certificate Numbers, and Number of Shares or Other Type of Equity Interest Evidenced by Such Certificates:</b>	Certificate No. 1: 100 shares of Common Stock

**Derivatives maintained with Bank of America, N.A. and Royal Bank of Canada in connection with the Permitted Bond Hedge Transaction.**

**Commodity Accounts – N/A**

<b>Name and Address of Commodity Intermediary:</b>	
<b>Account Number:</b>	

**Promissory Notes, Evidences of Indebtedness, and Other Instruments**

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**Affiliate Transactions**

3. Separation and Distribution Agreement, dated as of August 20, 2008 (the "Spinco Agreement"), by and among IAC/InterActiveCorp, a Delaware corporation ("IAC"), HSN, Inc., a Delaware corporation, Interval Leisure Group, Inc., a Delaware corporation, Ticketmaster, a Delaware, and Parent (formerly known as Tree.com, Inc., a Delaware corporation).

Description: This is the master agreement providing for the separation of assets and liabilities between "new" IAC and the four "Spinco's" (including Tree.com, Inc.), and defining liability and indemnification in the event of a breach or unwinding.

4. Registration Rights Agreement, dated as of August 20, 2008 (the "Registration Rights Agreement"), among Tree.com, Inc. (formerly known as Tree.com, Inc., a Delaware corporation), Liberty Media Corporation ("Liberty Media") and Liberty USA Holdings, LLC ("Liberty USA" and, together with Liberty Media, the "Liberty Parties").

Description: Under the Registration Rights Agreement, the Liberty Parties and their permitted transferees (collectively, the "Holders") are entitled to three demand registration rights (and unlimited piggyback registration rights) in respect of the shares of Parent's common stock received by the Liberty Parties as a result of the Parent's spin-off and other shares of Parent common stock acquired by the Liberty Parties consistent with the Spinco Agreement (collectively, the "Registrable Shares"). The Holders will be permitted to exercise their registration rights in connection with certain hedging transactions that they may enter into in respect of the Registrable Shares.

Parent will be obligated to indemnify the Holders, and each selling Holder will be obligated to indemnify Parent, against specified liabilities in connection with misstatements or omissions in any registration statement.

5. Spinco Assignment and Assumption Agreement, dated as of August 20, 2008 (the "Spinco Assignment"), among IAC/InterActiveCorp, Tree.com, Inc. (formerly known as Tree.com, Inc., a Delaware corporation), Liberty Media Corporation and Liberty USA Holdings, LLC.

Description: Under the Spinco Assignment, IAC assigned and Parent assumed from IAC all of IAC's rights and obligations under the Spinco Agreement that provide for certain post-spin-off arrangements relating to the Issuer.

6. Splitco Assignment and Assumption Agreement, dated November 2, 2017 (the "Splitco Assignment"), among General Communication, Inc. (which was renamed GCI Liberty, Inc.), Liberty Interactive Corporation (f/k/a Liberty Media Corporation), Liberty USA Holdings, LLC, Ventures Holdco, LLC, and LendingTree, Inc.

Description: Under the Splitco Assignment, Liberty Interactive Corporation assigned and General Communication, Inc. assumed from Liberty Interactive Corporation all of Liberty Interactive Corporation's rights and obligations under the Spinco Agreement and the Registration Rights Agreement.

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**EXHIBIT A**

**FORM OF ASSIGNMENT AND ASSUMPTION**

This Assignment and Assumption (the “Assignment and Assumption”) is dated as of the Effective Date set forth below and is entered into by and between [the][each] Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the][each] Assignee identified in item 2 below ([the] [each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors] [the Assignees] hereunder are several and not joint.] Capitalized terms used but not defined herein shall have the meanings given to them in the Amended and Restated Credit Agreement identified below (as amended, amended and restated, supplemented, or otherwise modified from time to time, the “Credit Agreement”), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the] [each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including, without limitation, any letters of credit, guarantees, and swingline loans included in such facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Each such sale and assignment is without recourse to [the] [any] Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by [the] [any] Assignor.

1. Assignor[s]: \_\_\_\_\_

\_\_\_\_\_

2. Assignee[s]: \_\_\_\_\_

\_\_\_\_\_ [for each Assignee, indicate [Affiliate] [Approved Fund] of [ *identify Lender* ]

3. Borrower: LendingTree, LLC, a Delaware limited liability company  
(the “Borrower”)

4. Administrative

Agent: SunTrust Bank, as the administrative agent under the Credit Agreement (in such capacity, together with its successors and assigns, the “Administrative Agent”)

5. Credit Agreement: Amended and Restated Credit Agreement dated as of November 21, 2017 (as amended, restated, amended and restated, supplemented and/or otherwise modified from time to time, the “Credit Agreement”) by and among the Borrower, LendingTree, Inc., a Delaware corporation, each lender from time to time party thereto (the “Lenders”) and SunTrust Bank, as Administrative Agent for itself and the Lenders.

6. Assigned Interest[s]:

\_\_\_\_\_

Confidential portions of this document have been redacted and filed separately with the Commission.

Assignor[s]	Assignee[s]	Facility Assigned	Aggregate Amount of Commitment/Loans for all Lenders	Amount of Commitment/Loans Assigned <sup>8</sup>	Percentage Assigned of Commitment/Loans	CUSIP Number
			\$	\$	%	
			\$	\$	%	
			\$	\$	%	

[7. Trade Date: \_\_\_\_\_]

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Effective Date: \_\_\_\_\_, 20\_\_ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]  
[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title:

[NAME OF ASSIGNOR]

By: \_\_\_\_\_  
Title:

ASSIGNEE[S]  
[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title:

[NAME OF ASSIGNEE]

By: \_\_\_\_\_  
Title:

[Consented to and] Accepted:

**SUNTRUST BANK**, as Administrative Agent,  
Issuing Bank and Swingline Lender

By: \_\_\_\_\_  
Title:

[Consented to:]

**LENDINGTREE, LLC**, as the Borrower

By \_\_\_\_\_

Name:

Title:]

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AMENDED AND RESTATED CREDIT AGREEMENT  
DATED AS OF NOVEMBER 21, 2017  
BY AND AMONG LENDINGTREE, LLC, A DELAWARE LIMITED LIABILITY COMPANY,  
LENDINGTREE, INC., A DELAWARE CORPORATION,  
THE SEVERAL BANKS AND OTHER FINANCIAL INSTITUTIONS AND LENDERS FROM TIME TO TIME PARTY THERETO, AND SUNTRUST  
BANK, AS ADMINISTRATIVE AGENT

STANDARD TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the][such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 10.4 of the Credit Agreement (subject to such consents, if any, as may be required under Section 10.4 of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.1(b) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase [the][such] Assigned Interest, and (vii) if it is a Foreign Person attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, [the][any] Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Effective Date. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to [the][the relevant] Assignee.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

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Confidential portions of this document have been redacted and filed separately with the Commission.

**EXHIBIT B**

**FORM OF GUARANTY AND SECURITY AGREEMENT**

[PLEASE SEE ATTACHED.]

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**AMENDED AND RESTATED GUARANTY AND SECURITY AGREEMENT**

dated as of November 21, 2017

made by

**LENDINGTREE, LLC**  
as Borrower,

**LENDINGTREE, INC. ,**  
as Parent,

and

**THE OTHER GRANTORS FROM TIME TO TIME PARTY HERETO**

in favor of

**SUNTRUST BANK**  
as Administrative Agent

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**AMENDED AND RESTATED GUARANTY AND SECURITY AGREEMENT**

**THIS AMENDED AND RESTATED GUARANTY AND SECURITY AGREEMENT**, dated as of November 21, 2017, is made by LENDINGTREE, LLC, a Delaware limited liability company (the “Borrower”), LENDINGTREE, INC., a Delaware corporation (“Parent”), and certain Subsidiaries of the Borrower identified on the signature pages hereto as “Guarantors” (together with the Borrower, Parent, and any other Subsidiary of the Borrower that becomes a party hereto from time to time after the date hereof, each, a “Grantor” and, collectively, the “Grantors”), in favor of SUNTRUST BANK, as administrative agent (in such capacity, together with its successors in such capacity, the “Administrative Agent”) for the Secured Parties (as defined below).

**WHEREAS**, the Borrower and Parent are entering into that certain Amended and Restated Credit Agreement, dated as of the date hereof, by and among the Borrower, Parent, the Lenders from time to time party thereto, the Issuing Bank, and the Administrative Agent, providing for certain credit facilities, including, without limitation, a revolving credit facility (as amended, restated, supplemented, replaced, increased, refinanced or otherwise modified from time to time, the “Credit Agreement”);

**WHEREAS**, it is a condition precedent to the obligations of the Lenders, the Issuing Bank, and the Administrative Agent under the Loan Documents that the Grantors are required to enter into this Agreement, pursuant to which the Grantors (other than the Borrower) shall guaranty all Obligations of the Borrower and the Grantors (including the Borrower) shall grant Liens on substantially all of their personal property to the Administrative Agent, on behalf of the Secured Parties, to secure their respective Obligations;

**WHEREAS**, the parties hereto previously entered into that certain Guaranty and Security Agreement dated as of October 22, 2015 (as amended, restated, supplemented, or otherwise modified from time to time prior to the date hereof, the “Existing Security Agreement”); and

**WHEREAS**, it is the intent of the parties hereto that this Agreement not constitute a novation of the liabilities and obligations existing under the Existing Security Agreement and that the liabilities and obligations existing under the Existing Security Agreement shall remain outstanding and that this Agreement amend and restate in its entirety the Existing Security Agreement.

**NOW, THEREFORE**, in consideration of the premises and to induce the Administrative Agent, the Lenders and the Issuing Bank to enter into the Credit Agreement and to induce the Lenders and the Issuing Bank to make their respective extensions of credit to the Borrower thereunder, each Grantor hereby agrees with the Administrative Agent, for the ratable benefit of the Secured Parties, as follows:

**ARTICLE I**

**DEFINITIONS**

**Section 1.1 Definitions**.

(a) Each term defined above shall have the meaning set forth above for all purposes of this Agreement. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings assigned to such terms in the Credit Agreement, and the terms “Account Debtor”, “Accounts”, “Chattel Paper”, “Commercial Tort Claims”, “Deposit Accounts”, “Documents”, “Electronic Chattel Paper”, “Equipment”, “Fixtures”, “General Intangibles”, “Goods”, “Instruments”, “Inventory”, “Investment Property”, “Letter-of-Credit Rights”, “Payment Intangibles”, “Proceeds”, “Supporting Obligations”, and “Tangible Chattel Paper” shall have the meanings assigned to such terms in the UCC as in effect on the date hereof:

(b) The following terms shall have the following meanings:

“Agreement” shall mean this Amended and Restated Guaranty and Security Agreement, as amended, restated, supplemented or otherwise modified from time to time.

“Bankruptcy Code” shall have the meaning set forth in Section 2.1(c)(i).

“Collateral” shall have the meaning set forth in Section 3.1.

“Copyright Licenses” shall mean any and all present and future agreements providing for the granting of any right in or to Copyrights (whether the applicable Grantor is licensee or licensor thereunder), including, without limitation, any thereof referred to in Schedule 8.

“Copyrights” shall mean, collectively, with respect to each Grantor, all copyrights, whether registered or unregistered, owned by or assigned to such Grantor and all registrations and applications for the foregoing (whether by statutory or common

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law, whether established or registered in the United States, any State thereof, or any other country or any political subdivision thereof and, in each case, whether owned by or licensed to such Grantor), and all goodwill associated therewith, now existing or hereafter adopted or acquired, together with any and all (i) rights and privileges arising under applicable law with respect to such Grantor's use of any copyrights, (ii) reissues, continuations, extensions and renewals thereof and amendments thereto, (iii) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present or future infringements thereof, including, without limitation, any thereof referred to in Schedule 8.

“Excluded Capital Stock” shall mean (a) any voting Capital Stock of any Foreign Subsidiary owned by any Grantor in excess of 66% of the issued and outstanding voting Capital Stock of such Foreign Subsidiary and (b) any Capital Stock of any Foreign Subsidiary which is not a Material Subsidiary; provided, that “Excluded Capital Stock” shall not include any proceeds, products, substitutions or replacements of Excluded Capital Stock (unless such proceeds, products, substitutions or replacements would otherwise constitute Excluded Capital Stock).

“Excluded Property” shall mean (i) all fee-owned Real Estate and all Real Estate constituting leasehold interests; (ii) any motor vehicles, aircraft, and other assets subject to certificates of title to the extent that a security interest therein cannot be perfected by the filing of a UCC financing statement; (iii) any Letter-of-Credit Rights (except to the extent constituting a support obligation for other Collateral as to which the perfection of security interests in such other Collateral and the support obligation is accomplished solely by the filing of a UCC financing statement) and Commercial Tort Claims, in each case, with a value of less than \$500,000; (iv) Excluded Capital Stock; (v) any license, Instrument, agreement, or other General Intangible (other than Proceeds and Accounts thereof) to the extent, and so long as, the pledge thereof as Collateral would violate the terms thereof or result in a breach by any Grantor of any agreement related thereto, but only to the extent, and only for so long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the UCC, the Bankruptcy Code or any other applicable law and such prohibition is not prohibited under Section 7.8 of the Credit Agreement ( provided, that such assets shall cease to be Excluded Property at such time as such prohibition or restriction is terminated, rendered unenforceable, or deemed ineffective or otherwise ceases to be in effect and, upon such prohibition or restriction being terminated, rendered unenforceable, deemed ineffective, or otherwise ceasing to be in effect, the Lien granted herein shall be deemed to have automatically attached to such assets); (vi) Excluded Accounts described in clauses (a) through (c) of the definition thereof; (vii) any United States intent-to-use trademark applications and any other assets to the extent the pledge thereof is prohibited by any applicable law (other than Proceeds and Accounts thereof), but only to the extent, and for so long as, such prohibition is not terminated or rendered unenforceable or otherwise deemed ineffective by the UCC, the Bankruptcy Code or any other applicable law ( provided, that such assets shall cease to be Excluded Property at such time as such prohibition is terminated, rendered unenforceable, or deemed ineffective or otherwise ceases to be in effect and, upon such prohibition being terminated, rendered unenforceable, deemed ineffective or otherwise ceasing to be in effect, the Lien granted herein shall be deemed to have automatically attached to such assets); and (viii) those assets of the Grantors as to which the Administrative Agent shall reasonably determine that the costs of obtaining or perfecting such security interest are excessive in relation to the value of the security to the Secured Parties to be afforded thereby; provided, that “Excluded Property” shall not include any proceeds, products, substitutions or replacements of Excluded Property (unless such proceeds, products, substitutions or replacements would otherwise constitute Excluded Property); provided, further, that upon the occurrence of an event that renders property to no longer constitute Excluded Property, a security interest in such property shall be automatically and simultaneously granted hereunder and shall be included as Collateral hereunder.

“Guaranteed Obligations” shall have the meaning set forth in Section 2.1(a).

“Guarantors” shall mean, collectively, Parent and each other Grantor (other than the Borrower).

“Issuers” shall mean, collectively, each issuer of a Pledged Security.

“Monetary Obligation” shall mean a monetary obligation secured by Goods or owed under a lease of Goods and includes a monetary obligation with respect to software used in Goods.

“Note” shall mean an instrument that evidences a promise to pay a Monetary Obligation and any other instrument within the description of “promissory note” as defined in Article 9 of the UCC.

“Patent Licenses” shall mean any and all present and future agreements providing for the granting of any right in or to Patents (whether the applicable Grantor is licensee or licensor thereunder), including, without limitation, any thereof referred to in Schedule 6.

“Patents” shall mean, collectively, with respect to each Grantor, all letters patent issued or assigned to, and all patent applications and registrations made by, such Grantor (whether established or registered or recorded in the United States, any State thereof or any other country or any political subdivision thereof and, in each case, whether owned by or licensed to such Grantor), and all goodwill associated therewith, now existing or hereafter adopted or acquired, together with any and all (i)

rights and privileges arising under applicable law with respect to such Grantor's use of any patents, (ii) inventions and improvements described and claimed therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and amendments thereto, and rights to obtain any of the foregoing, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including damages and payments for past, present or future infringements thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof, including, without limitation, any thereof referred to in Schedule 6.

"Pledged Certificated Stock" shall mean all certificated securities and any other Capital Stock or Stock Equivalent of any Person, other than Excluded Property, evidenced by a certificate, instrument or other similar document, in each case owned by any Grantor, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including in each case those interests set forth on Schedule 2 to the extent such interests are certificated.

"Pledged Securities" shall mean, collectively, all Pledged Certificated Stock and all Pledged Uncertificated Stock.

"Pledged Uncertificated Stock" shall mean any Capital Stock or Stock Equivalent of any Person, other than Pledged Certificated Stock and Excluded Property, in each case owned by any Grantor, including all right, title and interest of any Grantor as a limited or general partner in any partnership or as a member of any limited liability company not constituting Pledged Certificated Stock, all right, title and interest of any Grantor in, to and under any organizational document of any partnership or limited liability company to which it is a party, and any distribution of property made on, in respect of or in exchange for the foregoing from time to time, including in each case those interests set forth on Schedule 2 to the extent such interests are not certificated.

"Qualified ECP Guarantor" shall mean, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Secured Obligations" shall have the meaning set forth in Section 3.1.

"Secured Parties" shall mean the Administrative Agent, the Lenders, the Issuing Bank, the Lender-Related Hedge Providers and the Bank Product Providers.

"Securities Act" shall mean the Securities Act of 1933, as amended and in effect from time to time.

"Stock Equivalents" shall mean all securities convertible into or exchangeable for Capital Stock or any other Stock Equivalent and all warrants, options or other rights to purchase, subscribe for or otherwise acquire any Capital Stock or any other Stock Equivalent, whether or not presently convertible, exchangeable or exercisable.

"Trademark Licenses" shall mean any and all present and future agreements providing for the granting of any right in or to Trademarks (whether the applicable Grantor is licensee or licensor thereunder), including, without limitation, any thereof referred to in Schedule 7.

"Trademarks" shall mean, collectively, with respect to each Grantor, all trademarks, service marks, slogans, logos, certification marks, trade dress, uniform resource locations (URL's), domain names, corporate names, trade names and other source or business identifiers, whether registered or unregistered, owned by or assigned to such Grantor and all registrations and applications for the foregoing (whether by statutory or common law, whether established or registered in the United States, any State thereof, or any other country or any political subdivision thereof and, in each case, whether owned by or licensed to such Grantor), and all goodwill associated therewith, now existing or hereafter adopted or acquired, together with any and all (i) rights and privileges arising under applicable law with respect to such Grantor's use of any trademarks, (ii) reissues, continuations, extensions and renewals thereof and amendments thereto, (iii) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including damages, claims and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present or future infringements thereof, including, without limitation, any thereof referred to in Schedule 7.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York.

**Section 1.2 Other Definitional Provisions; References.** The definition of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof,

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(d) all references herein to Articles, Sections, Exhibits, Schedules and Annexes shall, unless otherwise stated, be construed to refer to Articles and Sections of, and Exhibits, Schedules and Annexes to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Where the context requires, terms relating to the Collateral or any part thereof, when used in relation to a Grantor, shall refer to such Grantor’s Collateral or the relevant part thereof.

## ARTICLE II

### GUARANTEE

#### **Section 2.1 Guarantee.**

(a) Each Guarantor unconditionally guarantees, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, (i) the due and punctual payment of all Obligations of the Borrower and the other Loan Parties including, without limitation, (A) the principal of and premium, if any, and interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Loans, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, (B) each payment required to be made by the Borrower under the Credit Agreement in respect of any Letter of Credit, when and as due, including payments in respect of reimbursement or disbursements, interest thereon and obligations to provide cash collateral, and (C) all other monetary obligations, including fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of the Loan Parties to the Administrative Agent, the Lenders and the Issuing Bank under the Credit Agreement and the other Loan Documents; (ii) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Loan Parties under or pursuant to the Credit Agreement and the other Loan Documents; (iii) the due and punctual payment of all Bank Product Obligations; and (iv) the due and punctual payment and performance of all Hedging Obligations that constitute Obligations with respect to such Guarantor (all the monetary and other obligations referred to in the preceding clauses (i) through (iv) being collectively called the “Guaranteed Obligations”). Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice to or further assent from such Guarantor, and that such Guarantor will remain bound upon its guarantee notwithstanding any extension or renewal of any Guaranteed Obligations.

(b) Each Guarantor further agrees that its guarantee constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Administrative Agent or any Secured Party to any of the security held for payment of the Guaranteed Obligations or to any balance of any deposit account or credit on the books of the Administrative Agent or any Secured Party in favor of the Borrower or any other Guarantor.

(c) It is the intent of each Guarantor and the Administrative Agent that the maximum obligations of the Guarantors hereunder shall be, but not in excess of:

(i) in a case or proceeding commenced by or against any Guarantor under the provisions of Title 11 of the United States Code, 11 U.S.C. §§101 et seq., as amended and in effect from time to time (the “Bankruptcy Code”), on or within one year from the date on which any of the Guaranteed Obligations are incurred, the maximum amount which would not otherwise cause the Guaranteed Obligations (or any other obligations of such Guarantor owed to the Administrative Agent or the Secured Parties) to be avoidable or unenforceable against such Guarantor under (i) Section 548 of the Bankruptcy Code or (ii) any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding by virtue of Section 544 of the Bankruptcy Code; or

(ii) in a case or proceeding commenced by or against any Guarantor under the Bankruptcy Code subsequent to one year from the date on which any of the Guaranteed Obligations are incurred, the maximum amount which would not otherwise cause the Guaranteed Obligations (or any other obligations of such Guarantor to the Administrative Agent or the Secured Parties) to be avoidable or unenforceable against such Guarantor under any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding by virtue of Section 544 of the Bankruptcy Code; or

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(iii) in a case or proceeding commenced by or against any Guarantor under any law, statute or regulation other than the Bankruptcy Code (including, without limitation, any other bankruptcy, reorganization, arrangement, moratorium, readjustment of debt, dissolution, liquidation or similar debtor relief laws), the maximum amount which would not otherwise cause the Guaranteed Obligations (or any other obligations of such Guarantor to the Administrative Agent or the Secured Parties) to be avoidable or unenforceable against such Guarantor under such law, statute or regulation, including, without limitation, any state fraudulent transfer or fraudulent conveyance act or statute applied in any such case or proceeding.

(d) The substantive laws under which the possible avoidance or unenforceability of the Guaranteed Obligations (or any other obligations of such Guarantor to the Administrative Agent or the Secured Parties) as may be determined in any case or proceeding shall hereinafter be referred to as the “Avoidance Provisions”. To the extent set forth in subsections (c)(i), (ii) and (iii) of this Section, but only to the extent that the Guaranteed Obligations would otherwise be subject to avoidance or found unenforceable under the Avoidance Provisions, if any Guarantor is not deemed to have received valuable consideration, fair value or reasonably equivalent value for the Guaranteed Obligations, or if the Guaranteed Obligations would render such Guarantor insolvent, or leave such Guarantor with an unreasonably small capital to conduct its business, or cause such Guarantor to have incurred debts (or to have intended to have incurred debts) beyond its ability to pay such debts as they mature, in each case as of the time any of the Guaranteed Obligations are deemed to have been incurred under the Avoidance Provisions and after giving effect to the contribution by such Guarantor, the maximum Guaranteed Obligations for which such Guarantor shall be liable hereunder shall be reduced to that amount which, after giving effect thereto, would not cause the Guaranteed Obligations (or any other obligations of such Guarantor to the Administrative Agent or the Secured Parties), as so reduced, to be subject to avoidance or unenforceability under the Avoidance Provisions.

(e) This Section is intended solely to preserve the rights of the Administrative Agent and the Secured Parties hereunder to the maximum extent that would not cause the Guaranteed Obligations of such Guarantor to be subject to avoidance or unenforceability under the Avoidance Provisions, and neither the Grantors nor any other Person shall have any right or claim under this Section as against the Administrative Agent or any Secured Party that would not otherwise be available to such Person under the Avoidance Provisions.

(f) Each Guarantor agrees that if the maturity of any of the Guaranteed Obligations is accelerated by bankruptcy or otherwise, such maturity shall also be deemed accelerated for the purpose of this guarantee without demand or notice to such Guarantor. The guarantee contained in this Article shall remain in full force and effect until all Guaranteed Obligations are irrevocably satisfied in full and all Commitments have been irrevocably terminated, notwithstanding that, from time to time during the term of the Credit Agreement, no Obligations may be outstanding.

**Section 2.2** Payments. Each Guarantor hereby agrees and guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in U.S. dollars at the office of the Administrative Agent specified pursuant to the Credit Agreement.

### ARTICLE III

#### GRANT OF SECURITY INTEREST

**Section 3.1** Grant of Security Interest. Each Grantor hereby pledges, assigns and transfers to the Administrative Agent, and grants to the Administrative Agent, for the ratable benefit of the Secured Parties, a security interest in all of the following property now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time in the future may acquire any right, title or interest and whether now existing or hereafter coming into existence (collectively, the “Collateral”), as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations and the Guaranteed Obligations (collectively, the “Secured Obligations”):

- (a) all Accounts and Chattel Paper;
  - (b) all Copyrights and Copyright Licenses;
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Confidential portions of this document have been redacted and filed separately with the Commission.

- (c) all Commercial Tort Claims (including, without limitation, the Commercial Tort Claims set forth on Schedule 9 attached hereto);
- (d) all contracts;
- (e) all Deposit Accounts;
- (f) all Documents;
- (g) all General Intangibles;
- (h) all Goods (including, without limitation, all Inventory, all Equipment and all Fixtures);
- (i) all Instruments;
- (j) all Investment Property;
- (k) all Letter-of-Credit Rights;
- (l) all Notes and all intercompany obligations between the Loan Parties;
- (m) all Patents and Patent Licenses;
- (n) all Pledged Securities;
- (o) all Trademarks and Trademark Licenses;
- (p) all vehicles;
- (q) all books and records, Supporting Obligations and related letters of credit or other claims and causes of action, in each case to the extent pertaining to the Collateral; and
- (r) to the extent not otherwise included, substitutions, replacements, accessions, products and other Proceeds (including, without limitation, insurance proceeds, licenses, royalties, income, payments, claims, damages and proceeds of suit) of any or all of the foregoing and all collateral security, guarantees and other Supporting Obligations given with respect to any of the foregoing;

provided that, notwithstanding the foregoing, no Lien or security interest is hereby granted on any Excluded Property, and, to the extent that any Collateral later becomes Excluded Property, the Lien granted hereunder will automatically be deemed to have been released; provided, further, that if and when any property shall cease to be Excluded Property, a Lien on and security interest in such property shall automatically be deemed granted therein.

**Section 3.2 Transfer of Pledged Securities**. Subject to Section 5.16 of the Credit Agreement, all certificates and instruments representing or evidencing the Pledged Certificated Stock shall be delivered to and held pursuant hereto by the Administrative Agent or a Person designated by the Administrative Agent and, in the case of an instrument or certificate in registered form, shall be duly indorsed to the Administrative Agent or in blank by an effective endorsement (whether on the certificate or instrument or on a separate writing), and accompanied by any required transfer tax stamps to effect the pledge of the Pledged Securities to the Administrative Agent. Notwithstanding the preceding sentence, all Pledged Certificated Stock must be delivered or transferred in such manner, and each Grantor shall take all such further action as may be reasonably requested by the Administrative Agent, as to permit the Administrative Agent to be a “protected purchaser” to the extent of its security interest as provided in Section 8-303 of the UCC.

**Section 3.3 Grantors Remain Liable under Accounts, Chattel Paper and Payment Intangibles**. Anything herein to the contrary notwithstanding, each Grantor shall remain liable under each of the Accounts, Chattel Paper and Payment

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Intangibles to observe and perform all of the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise to each such Account, Chattel Paper or Payment Intangible. Neither the Administrative Agent nor any other Secured Party shall have any obligation or liability under any Account, Chattel Paper or Payment Intangible (or any agreement giving rise thereto) by reason of or arising out of this Agreement or the receipt by the Administrative Agent or any such other Secured Party of any payment relating to such Account, Chattel Paper or Payment Intangible pursuant hereto, nor shall the Administrative Agent or any other Secured Party be obligated in any manner to perform any of the obligations of any Grantor under or pursuant to any Account, Chattel Paper or Payment Intangible (or any agreement giving rise thereto) to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account, Chattel Paper or Payment Intangible (or any agreement giving rise thereto), to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

## ARTICLE IV

### ACKNOWLEDGMENTS, WAIVERS AND CONSENTS

#### **Section 4.1 Acknowledgments, Waivers and Consents**

(a) Each Guarantor acknowledges and agrees that the obligations undertaken by it under this Agreement involve the guarantee of, and each Grantor acknowledges and agrees that the obligations undertaken by it under this Agreement involve the provision of collateral security for, Obligations of Persons other than such Grantor and that such Grantor's guarantee and provision of collateral security for the Secured Obligations are absolute, irrevocable and unconditional under any and all circumstances. In full recognition and furtherance of the foregoing, each Grantor understands and agrees, to the fullest extent permitted under applicable law and except as may otherwise be expressly and specifically provided in the Loan Documents, that each Grantor shall remain obligated hereunder (including, without limitation, with respect to each Guarantor the guarantee made by it herein and, with respect to each Grantor, the collateral security provided by such Grantor herein), and the enforceability and effectiveness of this Agreement and the liability of such Grantor, and the rights, remedies, powers and privileges of the Administrative Agent and the other Secured Parties under this Agreement and the other Loan Documents, shall not be affected, limited, reduced, discharged or terminated in any way:

(i) notwithstanding that, without any reservation of rights against any Grantor and without notice to or further assent by any Grantor, in each case, subject to and in accordance with the terms of the Loan Documents, (A) any demand for payment of any of the Secured Obligations made by the Administrative Agent or any other Secured Party may be rescinded by the Administrative Agent or such other Secured Party and any of the Secured Obligations continued; (B) the Secured Obligations, the liability of any other Person upon or for any part thereof or any collateral security or guarantee therefor or right of offset with respect thereto may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by, or any indulgence or forbearance in respect thereof granted by, the Administrative Agent or any other Secured Party; (C) the Credit Agreement, the other Loan Documents and all other documents executed and delivered in connection therewith or in connection with Hedging Obligations and Bank Product Obligations included as Obligations may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders, all Lenders, or the other parties thereto, as the case may be) may deem advisable from time to time; (D) the Borrower, any Guarantor or any other Person may from time to time accept or enter into new or additional agreements, security documents, guarantees or other instruments in addition to, in exchange for or relative to any Loan Document, all or any part of the Secured Obligations or any Collateral now or in the future serving as security for the Secured Obligations; (E) any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any other Secured Party for the payment of the Secured Obligations may be sold, exchanged, waived, surrendered or released; and (F) any other event shall occur which constitutes a defense or release of sureties generally; and

(ii) regardless of, and each Grantor hereby expressly waives to the fullest extent permitted by law any defense now or in the future arising by reason of, (A) the illegality, invalidity or unenforceability of the Credit Agreement, any other Loan Document, any of the Secured Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any other Secured Party; (B) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at

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any time be available to or be asserted by any Grantor or any other Person against the Administrative Agent or any other Secured Party; (C) the insolvency, bankruptcy arrangement, reorganization, adjustment, composition, liquidation, disability, dissolution or lack of power of any Grantor or any other Person at any time liable for the payment of all or part of the Secured Obligations or the failure of the Administrative Agent or any other Secured Party to file or enforce a claim in bankruptcy or other proceeding with respect to any Person, or any sale, lease or transfer of any or all of the assets of any Grantor, or any changes in the shareholders of any Grantor; (D) the fact that any Collateral or Lien contemplated or intended to be given, created or granted as security for the repayment of the Secured Obligations shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other Lien, it being recognized and agreed by each of the Grantors that it is not entering into this Agreement in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectability or value of any of the Collateral for the Secured Obligations; (E) any failure of the Administrative Agent or any other Secured Party to marshal assets in favor of any Grantor or any other Person, to exhaust any collateral for all or any part of the Secured Obligations, to pursue or exhaust any right, remedy, power or privilege it may have against any Grantor or any other Person or to take any action whatsoever to mitigate or reduce any Grantor's liability under this Agreement or any other Loan Document; (F) any law which provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or which reduces a surety's or guarantor's obligation in proportion to the principal obligation; (G) the possibility that the Secured Obligations may at any time and from time to time exceed the aggregate liability of such Grantor under this Agreement; or (H) any other circumstance or act whatsoever, including any action or omission of the type described in subsection (a)(i) of this Section (with or without notice to or knowledge of any Grantor), which constitutes, or might be construed to constitute, an equitable or legal discharge or defense of the Borrower for the Obligations, or of such Guarantor under the guarantee contained in Article II, or with respect to the collateral security provided by such Grantor herein, or which might be available to a surety or guarantor, in bankruptcy or in any other instance.

(b) Each Grantor hereby waives to the extent permitted by law (i) except as expressly provided otherwise in any Loan Document, all notices to such Grantor, or to any other Person, including, but not limited to, notices of the acceptance of this Agreement, the guarantee contained in Article II or the provision of collateral security provided herein, or the creation, renewal, extension, modification or accrual of any Secured Obligations, or notice of or proof of reliance by the Administrative Agent or any other Secured Party upon the guarantee contained in Article II or upon the collateral security provided herein, or of default in the payment or performance of any of the Secured Obligations owed to the Administrative Agent or any other Secured Party and enforcement of any right or remedy with respect thereto, or notice of any other matters relating thereto; the Secured Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in Article II and the collateral security provided herein and no notice of creation of the Secured Obligations or any extension of credit already or hereafter contracted by or extended to the Borrower need be given to any Grantor, and all dealings between the Borrower and any of the other Grantors, on the one hand, and the Administrative Agent and the other Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in Article II and on the collateral security provided herein; (ii) diligence and demand of payment, presentment, protest, dishonor and notice of dishonor; (iii) any statute of limitations affecting any Grantor's liability hereunder or the enforcement thereof; (iv) all rights of revocation with respect to the Secured Obligations, the guarantee contained in Article II and the provision of collateral security herein; and (v) all principles or provisions of law which conflict with the terms of this Agreement and which can, as a matter of law, be waived.

(c) When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Grantor, the Administrative Agent or any other Secured Party may, but shall be under no obligation to, join or make a similar demand on or otherwise pursue or exhaust such rights and remedies as it may have against the Borrower, any other Grantor or any other Person or against any collateral security or guarantee for the Secured Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any other Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Grantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Grantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Grantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any other Secured Party against any Grantor. For the purposes hereof, "demand" shall include the commencement and continuance of any legal proceedings. Neither the Administrative Agent nor any other Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Secured Obligations or for the guarantee contained in Article II or any property subject thereto.

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**Section 4.2 No Subrogation, Contribution or Reimbursement**. Until all Secured Obligations are irrevocably satisfied in full and all commitments of each Secured Party under the Credit Agreement or any other Loan Document have been irrevocably terminated, notwithstanding any payment made by any Grantor hereunder or any set-off or application of funds of any Grantor by the Administrative Agent or any other Secured Party, no Grantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any other Secured Party against the Borrower or any other Grantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any other Secured Party for the payment of the Secured Obligations, nor shall any Grantor seek or be entitled to seek any indemnity, exoneration, participation, contribution or reimbursement from the Borrower or any other Grantor in respect of payments made by such Grantor hereunder, and each Grantor hereby expressly waives, releases and agrees not to exercise any or all such rights of subrogation, reimbursement, indemnity and contribution. Each Grantor further agrees that to the extent that such waiver and release set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement, indemnity and contribution such Grantor may have against the Borrower or any other Grantor or against any collateral or security or guarantee or right of offset held by the Administrative Agent or any other Secured Party shall be junior and subordinate to any rights the Administrative Agent and the other Secured Parties may have against the Borrower and such Grantor and to all right, title and interest the Administrative Agent and the other Secured Parties may have in such collateral or security or guarantee or right of offset. To the extent permitted by the Loan Documents, the Administrative Agent, for the benefit of the Secured Parties, may use, sell or dispose of any item of Collateral or security as it sees fit without regard to any subrogation rights any Grantor may have, and upon any disposition or sale, any rights of subrogation any Grantor may have shall terminate.

## ARTICLE V

### REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the other Secured Parties to enter into the Credit Agreement and the other Loan Documents, to induce the Lenders and the Issuing Bank to make their respective extensions of credit to the Borrower thereunder and to induce the Lender-Related Hedge Providers and the Bank Product Providers to enter into Hedging Obligations and Bank Product Obligations with the Grantors, each Grantor represents and warrants to the Administrative Agent and each other Secured Party as follows:

**Section 5.1 Confirmation of Representations in Credit Agreement**. Each Grantor represents and warrants to the Secured Parties that the representations and warranties set forth in Article IV of the Credit Agreement as they relate to such Grantor (in its capacity as a Loan Party or a Subsidiary of the Borrower, as the case may be) or to the Loan Documents to which such Grantor is a party are true and correct in all material respects; provided that each reference in each such representation and warranty to Parent's or the Borrower's knowledge, as applicable, shall, for the purposes of this Section, be deemed to be a reference to such Grantor's knowledge.

**Section 5.2 Benefit to the Guarantors**. As of the Restatement Date, Parent and the Borrower are members of an affiliated group of companies that includes each Guarantor, and Parent, the Borrower and the other Guarantors are engaged in related businesses permitted pursuant to Section 5.3 of the Credit Agreement. Each Guarantor (other than Parent) is a Subsidiary of the Borrower, and the guaranty and surety obligations of each Guarantor pursuant to this Agreement reasonably may be expected to benefit, directly or indirectly, such Guarantor; and each Guarantor has determined that this Agreement is necessary and convenient to the conduct, promotion and attainment of the business of such Guarantor, Parent, and the Borrower.

**Section 5.3 First Priority Liens**. The security interests granted pursuant to this Agreement (a) upon completion of the filings and other actions specified on Schedule 3 (which, in the case of all filings and other documents referred to on said Schedule have been delivered to the Administrative Agent in completed and duly executed form) will constitute valid perfected security interests in all of the Collateral in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, as collateral security for such Grantor's obligations, enforceable in accordance with the terms hereof against all creditors of such Grantor and any Persons purporting to purchase any Collateral from such Grantor and (b) are prior to all other Liens on the Collateral in existence on the Restatement Date, except for Permitted Encumbrances and other nonconsensual Liens of the type described in Section 7.2 of the Credit Agreement, in each case, which may have priority over the Liens on the Collateral by operation of law.

**Section 5.4 Legal Name, Organizational Status, Chief Executive Office**. On the Closing Date, the correct legal name of such Grantor, such Grantor's jurisdiction of organization, organizational identification number, federal (and, if applicable,

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state) taxpayer identification number and the location of such Grantor's chief executive office or sole place of business are specified on Schedule 4.

**Section 5.5 Prior Names, Prior Chief Executive Offices**. On the Restatement Date, Schedule 5 correctly sets forth (a) all names and trade names that such Grantor has used in the last five years and (b) the chief executive office of such Grantor over the last five years (if different from that which is set forth in Section 5).

**Section 5.6 Goods**. No portion of the Collateral constituting Goods with an aggregate value of \$500,000 or more is at any time in the possession of a bailee that has issued a negotiable or non-negotiable document covering such Collateral.

**Section 5.7 Chattel Paper**. No Collateral constituting Chattel Paper or Instruments contains any statement therein to the effect that such Collateral has been assigned to an identified party other than the Administrative Agent, and the grant of a security interest in such Collateral in favor of the Administrative Agent hereunder does not violate the rights of any other Person as a secured party.

**Section 5.8 Truth of Information; Accounts**. All information with respect to the Collateral set forth in any schedule, certificate or other writing at any time heretofore or hereafter furnished by such Grantor to the Administrative Agent or any other Secured Party, and all other written information heretofore or hereafter furnished by such Grantor to the Administrative Agent or any other Secured Party, is and will be true and correct in all material respects as of the date furnished. The amount represented by such Grantor to the Administrative Agent and the other Secured Parties from time to time as owing by each Account Debtor or by all Account Debtors in respect of the Accounts, Chattel Paper and Payment Intangibles will at such time be the correct amount actually owing by such Account Debtor or Account Debtors thereunder. The place where each Grantor keeps its records concerning the Accounts, Chattel Paper and Payment Intangibles comprising a portion of the Collateral is 11115 Rushmore Drive, Charlotte, North Carolina 28277.

**Section 5.9 Reserved**.

**Section 5.10 Copyrights, Patents and Trademarks**. Schedule 6 includes all Patents and Patent Licenses owned by such Grantor in its own name as of the Restatement Date. Schedule 7 includes all Trademarks and Trademark Licenses owned by such Grantor in its own name as of the Restatement Date. Schedule 8 includes all Copyrights and Copyright Licenses owned by such Grantor in its own name as of the Restatement Date. To each such Grantor's knowledge, each Patent and Trademark material to such Grantor's business is valid, subsisting, unexpired and enforceable and has not been abandoned. Except as set forth in either such Schedule, none of such Patents, Trademarks and Copyrights is the subject of any licensing or franchise agreement. No holding, decision or judgment has been rendered by any Governmental Authority which would limit, cancel or question the validity of any Patent, Trademark or Copyright material to such Grantor's business. No action or proceeding is pending (i) seeking to limit, cancel or question the validity of any Patent, Trademark or Copyright material to such Grantor's business, or (ii) which, if adversely determined, would have a material adverse effect on the value of any Patent, Trademark or Copyright material to such Grantor's business.

## ARTICLE VI

### COVENANTS

Each Grantor covenants and agrees with the Administrative Agent and the other Secured Parties that, from and after the date of this Agreement until the Secured Obligations shall have been paid in full, no Letter of Credit shall be outstanding (or has been Cash Collateralized in accordance with the terms of the Credit Agreement) and all Commitments shall have been terminated:

**Section 6.1 Covenants in Credit Agreement**. In the case of each Guarantor, such Guarantor shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken by such Guarantor, as the case may be, so that no Default or Event of Default is caused by the failure to take such action or to refrain from taking such action by such Guarantor or any of its Subsidiaries.

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**Section 6.2** Maintenance of Perfected Security Interest; Further Documentation.

(a) Such Grantor shall maintain the security interest created by this Agreement as a perfected security interest having at least the priority described in Section 5.3 and shall defend such security interest against the claims and demands of all Persons whomsoever, except for Liens expressly permitted under Section 7.2 of the Credit Agreement.

(b) At any time and from time to time, upon the reasonable request of the Administrative Agent, and at the sole expense of such Grantor, such Grantor will promptly and duly give, execute, deliver, indorse, file or record any and all financing statements, continuation statements, amendments, notices (including, without limitation, notifications to financial institutions and any other Person), contracts, agreements, assignments, certificates, stock powers or other instruments, obtain any and all governmental approvals and consents and take or cause to be taken any and all steps or acts that may be reasonably necessary or as the Administrative Agent may reasonably request to create, perfect, establish the priority of, or to preserve the validity, perfection or priority of, the Liens granted by this Agreement or to enable the Administrative Agent to enforce its rights, remedies, powers and privileges under this Agreement with respect to such Liens or to otherwise obtain or preserve the full benefits of this Agreement and the rights, powers and privileges herein granted.

(c) Without limiting the obligations of the Grantors under subsection (b) of this Section, (i) upon the reasonable request of the Administrative Agent, such Grantor shall take or cause to be taken all actions (other than any actions required to be taken by the Administrative Agent) reasonably requested by the Administrative Agent to cause the Administrative Agent to (A) have “control” (within the meaning of Sections 9-104, 9-105, 9-106, and 9-107 of the UCC) over any Collateral constituting Deposit Accounts, Electronic Chattel Paper, Investment Property (including the Pledged Securities), or Letter-of-Credit Rights, including, without limitation, executing and delivering any agreements, in form and substance reasonably satisfactory to the Administrative Agent, with securities intermediaries, issuers or other Persons in order to establish “control”, and each Grantor shall promptly notify the Administrative Agent and the other Secured Parties of such Grantor’s acquisition of any such Collateral, and (B) be a “protected purchaser” (as defined in Section 8-303 of the UCC); (ii) with respect to Collateral other than certificated securities and Goods covered by a document in the possession of a Person other than such Grantor or the Administrative Agent, such Grantor shall obtain written acknowledgment that such Person holds possession for the Administrative Agent’s benefit; and (iii) with respect to any Collateral constituting Goods that are in the possession of a bailee, such Grantor shall provide prompt notice to the Administrative Agent and the other Secured Parties of any such Collateral then in the possession of such bailee, and such Grantor shall take or cause to be taken all actions (other than any actions required to be taken by the Administrative Agent or any other Secured Party) reasonably necessary by the Administrative Agent to cause the Administrative Agent to have a perfected security interest in such Collateral under applicable law.

(d) This Section and the obligations imposed on each Grantor by this Section shall be interpreted as broadly as possible in favor of the Administrative Agent and the other Secured Parties in order to effectuate the purpose and intent of this Agreement.

**Section 6.3** Maintenance of Records. Such Grantor will keep and maintain at its own cost and expense satisfactory and complete records of the Collateral consistent with such Grantor’s historic business practices, including, without limitation, a record of all payments received and all credits granted with respect to the Accounts comprising any part of the Collateral. For the Administrative Agent’s and the other Secured Parties’ further security, the Administrative Agent, for the ratable benefit of the Secured Parties, shall have a security interest in all of such Grantor’s books and records pertaining to the Collateral.

**Section 6.4** Right of Inspection. Each Grantor will, and will cause each of its respective Subsidiaries to, permit any representative of the Administrative Agent or any Lender to visit and inspect its properties, to examine the Collateral, including its books and records, and to make copies and take extracts from such books and records, and to discuss its affairs, finances and accounts with any of its officers and with its independent certified public accountants, all at such reasonable times and as often as the Administrative Agent or any Lender may reasonably request after reasonable prior notice to Parent and the Borrower; provided that (a) if an Event of Default has occurred and is continuing, no prior notice shall be required (b) if no Event of Default has occurred and is continuing, the Grantors shall only reimburse the Administrative Agent and the Lenders for one such visit per Fiscal Year

**Section 6.5** Further Identification of Collateral. Upon request, such Grantor will furnish to the Administrative Agent and the other Secured Parties from time to time, at such Grantor’s sole cost and expense, statements and schedules further

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identifying and describing the Collateral and such other reports in connection with the Collateral as the Administrative Agent may reasonably request, all in reasonable detail.

**Section 6.6 Changes in Names, Locations**. Such Grantor recognizes that financing statements pertaining to the Collateral have been or may be filed where such Grantor is organized. Without limitation of any other covenant herein, such Grantor will not cause or permit (i) any change to be made in its legal name, identity or corporate, limited liability company, or limited partnership structure or (ii) any change to such Grantor's jurisdiction of organization, unless such Grantor shall have first (1) notified the Administrative Agent of such change at least 30 days (or such shorter period of time as the Administrative Agent may agree in writing in its sole discretion) prior to the date of such change, and (2) taken all action reasonably requested by the Administrative Agent for the purpose of maintaining the perfection and priority of the Administrative Agent's security interests under this Agreement, and unless such Grantor shall otherwise be in compliance with Section 7.3 of the Credit Agreement. In any notice furnished pursuant to this Section, such Grantor will expressly state in a conspicuous manner that the notice is required by this Agreement and contains facts that may require additional filings of financing statements or other notices for the purposes of continuing perfection of the Administrative Agent's security interest in the Collateral.

**Section 6.7 Compliance with Contractual Obligations**. Such Grantor will perform and comply in all material respects with all of its contractual obligations relating to the Collateral (other than with respect to any such contractual obligations being disputed by such Grantor in good faith and by appropriate measures).

**Section 6.8 Limitations on Dispositions of Collateral**. The Administrative Agent and the other Secured Parties do not authorize the Grantors to, and such Grantor agrees not to, sell, transfer, lease or otherwise dispose of any of the Collateral, or attempt, offer or contract to do so, except to the extent expressly permitted by the Credit Agreement.

**Section 6.9 Pledged Securities**.

(a) If such Grantor shall become entitled to receive or shall receive any stock certificate or other instrument (including, without limitation, any certificate or instrument representing a dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate or instrument issued in connection with any reorganization), option or rights in respect of the Capital Stock or other equity interests of any nature of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares (or such other interests) of the Pledged Securities, or otherwise in respect thereof, except as otherwise provided herein or in the Credit Agreement, such Grantor shall accept the same as the agent of the Administrative Agent and the other Secured Parties, hold the same in trust for the Administrative Agent and the other Secured Parties and deliver the same forthwith to the Administrative Agent in the exact form received, duly indorsed by such Grantor to the Administrative Agent, if required, together with an undated stock power or other equivalent instrument of transfer acceptable to the Administrative Agent covering such certificate or instrument duly executed in blank by such Grantor and with, if the Administrative Agent so requests, signature guaranteed, to be held by the Administrative Agent, subject to the terms hereof, as additional collateral security for the Secured Obligations.

(b) Without the prior written consent of the Administrative Agent, such Grantor will not (i) unless otherwise permitted hereby, vote to enable, or take any other action to permit, any Issuer to issue any Capital Stock or other equity interests of any nature or to issue any other securities or interests convertible into or granting the right to purchase or exchange for any Capital Stock or other equity interests of any nature of any Issuer (except pursuant to a transaction expressly permitted by the Credit Agreement), (ii) sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, the Pledged Securities or Proceeds thereof (except pursuant to a transaction expressly permitted by the Credit Agreement), (iii) create, incur or permit to exist any Lien (except for Liens permitted by Section 7.2 of the Credit Agreement) or option in favor of, or any claim of any Person with respect to, any of the Pledged Securities or Proceeds thereof, or any interest therein, except for the security interests created by this Agreement or (iv) enter into any agreement or undertaking restricting the right or ability of such Grantor or the Administrative Agent to sell, assign or transfer any of the Pledged Securities or Proceeds thereof (except pursuant to a transaction expressly permitted by the Credit Agreement).

(c) In the case of each Grantor which is an Issuer, and each other Issuer that executes the Acknowledgment and Consent in the form of Annex IV (which the applicable Grantor shall use its commercially reasonable efforts to obtain from each such other Issuer), such Issuer agrees that (i) it will be bound by the terms of this Agreement relating to the Pledged Securities issued by it and will comply with such terms insofar as such terms are applicable to it, (ii) it will notify the Administrative Agent

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promptly in writing of the occurrence of any of the events described in subsection (a) of this Section with respect to the Pledged Securities issued by it and (iii) the terms of Section 7.1(c) and Section 7.5 shall apply to it, *mutatis mutandis*, with respect to all actions that may be required of it pursuant to Section 7.1(c) or Section 7.5 with respect to the Pledged Securities issued by it.

(d) Such Grantor shall furnish to the Administrative Agent such powers and other equivalent instruments of transfer as may be required by the Administrative Agent to assure the transferability of and the perfection of the security interest in the Pledged Securities when and as often as may be reasonably requested by the Administrative Agent.

(e) The Pledged Securities will constitute not less than 100% of the Capital Stock or other equity interests of the Issuer thereof owned by any Grantor, except Pledged Securities of any Foreign Subsidiary shall be limited to not more than 66% of the voting Capital Stock and 100% of the non-voting Capital Stock of such Foreign Subsidiary.

(f) If any Grantor acquires any Pledged Securities after executing this Agreement, it shall execute a Supplement to this Agreement in the form of Annex III with respect to such Pledged Securities and deliver such Supplement to the Administrative Agent promptly thereafter.

**Section 6.10 Limitations on Modifications, Waivers, Extensions of Agreements Giving Rise to Accounts**. Such Grantor will not (i) amend, modify, terminate or waive any provision of any Chattel Paper, Instrument or any agreement giving rise to an Account or Payment Intangible comprising a portion of the Collateral, or (ii) fail to exercise promptly and diligently each and every right which it may have under any Chattel Paper, Instrument and each agreement giving rise to an Account or Payment Intangible comprising a portion of the Collateral (other than any right of termination), except where such action or failure to act, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

**Section 6.11 Analysis of Accounts**. The Administrative Agent shall have the right at any time and from time to time upon reasonable prior notice to make test verifications of the Accounts, Chattel Paper and Payment Intangibles comprising a portion of the Collateral in any manner and through any medium that it reasonably considers advisable, and each Grantor, at such Grantor's sole cost and expense, shall furnish all such assistance and information as the Administrative Agent may reasonably require in connection therewith. At any time and from time to time, upon the Administrative Agent's request and at the expense of each Grantor, such Grantor shall furnish to the Administrative Agent reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts, Chattel Paper and Payment Intangibles comprising a portion of the Collateral, and all original and other documents evidencing, and relating to, the agreements and transactions which gave rise to the Accounts, Chattel Paper and Payment Intangibles comprising a portion of the Collateral, including, without limitation, all original orders, invoices and shipping receipts.

**Section 6.12 Instruments and Tangible Chattel Paper**. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any Instrument or Tangible Chattel Paper and the value of such Instruments and Tangible Chattel Paper in the aggregate is \$500,000 or more, each such Instrument or Tangible Chattel Paper, shall be delivered to the Administrative Agent as soon as practicable, duly endorsed in a manner satisfactory to the Administrative Agent to be held as Collateral pursuant to this Agreement.

**Section 6.13 Copyrights, Patents and Trademarks**.

(a) Such Grantor (either itself or through licensees) will, except with respect to any Trademark that such Grantor shall reasonably determine is not material to its business, (i) maintain as in the past the quality of services offered under such Trademark, (ii) maintain such Trademark in full force and effect, free from any claim of abandonment for non-use, (iii) employ such Trademark with the appropriate notice of registration, and (iv) not (and not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby any such Trademark may become invalidated.

(b) Such Grantor will not, except with respect to any Patent that such Grantor shall reasonably determine is not material to its business, do any act, or omit to do any act, whereby any such Patent may become abandoned or dedicated.

(c) Such Grantor will not, except with respect to any Copyright that such Grantor shall reasonably determine is not material to its business, do any act, or omit to do any act, whereby any such Copyright may become abandoned or dedicated.

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Confidential portions of this document have been redacted and filed separately with the Commission.

(d) Such Grantor will notify the Administrative Agent and the other Secured Parties promptly if it knows, or has reason to know, that any application or registration relating to any Copyright, Patent or Trademark material to such Grantor's business may become abandoned or dedicated, or of any adverse determination or development (including, without limitation, the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office or any court or tribunal in any country) regarding such Grantor's ownership of any such Copyright, Patent or Trademark or its right to register the same or to keep and maintain the same.

(e) Whenever a Grantor, either by itself or through any agent, employee, licensee or designee, shall file an application for the registration of any Copyright, Patent or Trademark with the United States Copyright Office, the United States Patent and Trademark Office or any similar office or agency in any other country or any political subdivision thereof, Parent shall report such filing to the Administrative Agent and the other Secured Parties in the Compliance Certificate delivered for the Fiscal Quarter in which such filing occurs. Upon request of the Administrative Agent, such Grantor shall execute and deliver an Intellectual Property Security Agreement substantially in the form of Annex II, and any and all other agreements, instruments, documents, and papers as the Administrative Agent may request to evidence the Administrative Agent's and the other Secured Parties' security interest in any registered Copyright, Patent or Trademark (or any application for the registration thereof) and the goodwill and General Intangibles of such Grantor relating thereto or represented thereby, and such Grantor hereby constitutes the Administrative Agent its attorney-in-fact to execute and file all such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Secured Obligations are paid in full and the Commitments are terminated.

(f) Such Grantor will take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Copyright Office, the United States Patent and Trademark Office, or any similar office or agency in any other country or any political subdivision thereof, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the Copyrights, Patents and Trademarks material to such Grantor's business, including, without limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability.

(g) In the event that any Copyright, Patent or Trademark included in the Collateral that is material to such Grantor's business is infringed, misappropriated or diluted by a third party, such Grantor shall promptly notify the Administrative Agent after it learns thereof and shall, unless such Grantor shall reasonably determine that such Copyright, Patent or Trademark is not material to the business to such Grantor, promptly sue for infringement, misappropriation or dilution, to seek injunctive relief where appropriate and to recover any and all damages for such infringement, misappropriation or dilution, or take such other actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Copyright, Patent or Trademark.

**Section 6.14 Commercial Tort Claims.** If such Grantor shall at any time hold or acquire a Commercial Tort Claim that satisfies the requirements of the following sentence, such Grantor shall, within 30 days (or such longer period of time as the Administrative Agent may agree in writing in its sole discretion) after such Commercial Tort Claim satisfies such requirements, notify the Administrative Agent in a writing signed by such Grantor containing a brief description thereof, and granting to the Administrative Agent in such writing (for the benefit of the Secured Parties) a security interest therein and in the Proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Administrative Agent. The provisions of the preceding sentence shall apply only to a Commercial Tort Claim that satisfies the following requirements: (i) the monetary value claimed by or payable to the relevant Grantor in connection with such Commercial Tort Claim shall exceed \$500,000, and (ii) either (A) such Grantor shall have filed a law suit or counterclaim or otherwise commenced legal proceedings (including, without limitation, arbitration proceedings) against the Person against whom such Commercial Tort Claim is made, or (B) such Grantor and the Person against whom such Commercial Tort Claim is asserted shall have entered into a settlement agreement with respect to such Commercial Tort Claim. In addition, to the extent that the existence of any Commercial Tort Claim held or acquired by any Grantor is disclosed by such Grantor in any public filing with the Securities Exchange Commission or any successor thereto or analogous Governmental Authority, or to the extent that the existence of any such Commercial Tort Claim is disclosed in any press release issued by any Grantor, then, upon the request of the Administrative Agent, the relevant Grantor shall, within 30 days (or such longer period of time as the Administrative Agent may agree in writing in its sole discretion) after such request is made, transmit to the Administrative Agent a writing signed by such Grantor containing a brief description of such Commercial Tort Claim and granting to the Administrative Agent in such writing (for the benefit of the Secured Parties) a security interest therein and in the Proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Administrative Agent.

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## ARTICLE VII

### REMEDIAL PROVISIONS

#### **Section 7.1** Pledged Securities.

(a) Unless an Event of Default shall have occurred and be continuing and the Administrative Agent shall have given notice to the relevant Grantor of the Administrative Agent's intent to exercise its corresponding rights pursuant to subsection (b) of this Section, each Grantor shall be permitted to receive all cash dividends paid in respect of the Pledged Securities paid in the normal course of business of the relevant Issuer, to the extent permitted in the Credit Agreement, and to exercise all voting and corporate rights with respect to the Pledged Securities.

(b) If an Event of Default shall occur and be continuing, then at any time in the Administrative Agent's discretion, without notice, (i) the Administrative Agent shall have the right to receive any and all cash dividends, payments or other Proceeds paid in respect of the Pledged Securities and make application thereof to the Obligations in accordance with Section 2.12(d) of the Credit Agreement, and (ii) any or all of the Pledged Securities shall be registered in the name of the Administrative Agent or its nominee, and the Administrative Agent or its nominee may thereafter exercise (x) all voting, corporate and other rights pertaining to such Pledged Securities at any meeting of shareholders (or other equivalent body) of the relevant Issuer or Issuers or otherwise and (y) any and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to such Pledged Securities as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Pledged Securities upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the organizational structure of any Issuer, or upon the exercise by any Grantor or the Administrative Agent of any right, privilege or option pertaining to such Pledged Securities, and in connection therewith, the right to deposit and deliver any and all of the Pledged Securities with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as the Administrative Agent may determine), all without liability except to account for property actually received by it, but the Administrative Agent shall have no duty to any Grantor to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(c) Each Grantor hereby authorizes and instructs each Issuer of any Pledged Securities pledged by such Grantor hereunder (and each Issuer party hereto hereby agrees) to (i) comply with any instruction received by it from the Administrative Agent in writing (x) after an Event of Default has occurred and is continuing and (y) that is otherwise in accordance with the terms of this Agreement, without any other or further instructions from such Grantor, and each Grantor agrees that each Issuer shall be fully protected in so complying, and (ii) unless otherwise expressly permitted hereby, pay any dividends or other payments with respect to the Pledged Securities directly to the Administrative Agent upon request by Administrative Agent during the existence of an Event of Default.

(d) After the occurrence and during the continuation of an Event of Default, if the Issuer of any Pledged Securities is the subject of bankruptcy, insolvency, receivership, custodianship or other proceedings under the supervision of any Governmental Authority, then all rights of the Grantor in respect thereof to exercise the voting and other consensual rights which such Grantor would otherwise be entitled to exercise with respect to the Pledged Securities issued by such Issuer shall cease, and all such rights shall thereupon become vested in the Administrative Agent who shall thereupon have the sole right to exercise such voting and other consensual rights, but the Administrative Agent shall have no duty to exercise any such voting or other consensual rights and shall not be responsible for any failure to do so or delay in so doing.

**Section 7.2** Collections on Accounts. The Administrative Agent hereby authorizes each Grantor to collect upon the Accounts, Instruments, Chattel Paper and Payment Intangibles subject to the Administrative Agent's direction and control, and the Administrative Agent may curtail or terminate said authority at any time after the occurrence and during the continuance of an Event of Default. Upon the request of the Administrative Agent, at any time after the occurrence and during the continuance of an Event of Default, each Grantor shall notify the applicable Account Debtors that the applicable Accounts, Chattel Paper and Payment Intangibles have been assigned to the Administrative Agent for the ratable benefit of the Secured Parties and that payments in respect thereof shall be made directly to the Administrative Agent. During the existence of an Event of Default, the Administrative Agent may in its own name or in the name of others communicate with the applicable Account Debtors to verify with them to its satisfaction the existence, amount and terms of any applicable Accounts, Chattel Paper or Payment Intangibles.

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**Section 7.3 Proceeds.** If required by the Administrative Agent at any time after the occurrence and during the continuance of an Event of Default, any payments of Accounts, Instruments, Chattel Paper and Payment Intangibles comprising a portion of the Collateral, when collected or received by each Grantor, and any other cash or non-cash Proceeds received by each Grantor upon the sale or other disposition of any Collateral, shall be forthwith (and, in any event, within two (2) Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Administrative Agent in a special collateral account maintained by the Administrative Agent subject to withdrawal by the Administrative Agent for the ratable benefit of the Secured Parties only, as hereinafter provided, and, until so turned over, shall be held by such Grantor in trust for the Administrative Agent for the ratable benefit of the Secured Parties segregated from other funds of any such Grantor. Each deposit of any such Proceeds shall be accompanied by a report identifying in detail the nature and source of the payments included in the deposit. All Proceeds of the Collateral (including, without limitation, Proceeds constituting collections of Accounts, Chattel Paper, Instruments or Payment Intangibles comprising a portion of the Collateral) while held by the Administrative Agent (or by any Grantor in trust for the Administrative Agent for the ratable benefit of the Secured Parties) shall continue to be collateral security for all of the Secured Obligations and shall not constitute payment thereof until applied as hereinafter provided. At such intervals as may be agreed upon by each Grantor and the Administrative Agent, or, if an Event of Default shall have occurred and be continuing, at any time at the Administrative Agent's election, the Administrative Agent shall apply all or any part of the funds on deposit in said special collateral account on account of the Secured Obligations in the order set forth in Section 8.2 of the Credit Agreement, and any part of such funds which the Administrative Agent elects not so to apply and deems not required as collateral security for the Secured Obligations shall be paid over from time to time by the Administrative Agent to each Grantor or to whomsoever may be lawfully entitled to receive the same.

**Section 7.4 UCC and Other Remedies.**

(a) If an Event of Default shall occur and be continuing, the Administrative Agent, on behalf of the Secured Parties, may exercise in its discretion, in addition to all other rights, remedies, powers and privileges granted to them in this Agreement, the other Loan Documents, and in any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights, remedies, powers and privileges of a secured party under the UCC (regardless of whether the UCC is in effect in the jurisdiction where such rights, remedies, powers or privileges are asserted) or any other applicable law or otherwise available at law or equity. Without limiting the generality of the foregoing, the Administrative Agent, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Grantor or any other Person (all and each of which demands, presentments, protests, advertisements and notices are hereby waived), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, lease, assign, give option or options to purchase, or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of the Administrative Agent or any other Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. The Administrative Agent or any other Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption in any Grantor, which right or equity is hereby waived and released. If an Event of Default shall occur and be continuing, each Grantor further agrees, at the Administrative Agent's request, to assemble the Collateral and make it available to the Administrative Agent at places which the Administrative Agent shall reasonably select, whether at such Grantor's premises or elsewhere. Any such sale or transfer by the Administrative Agent either to itself or to any other Person shall be absolutely free from any claim of right by any Grantor, including any equity or right of redemption, stay or appraisal which such Grantor has or may have under any rule of law, regulation or statute now existing or hereafter adopted. Upon any such sale or transfer, the Administrative Agent shall have the right to deliver, assign and transfer to the purchaser or transferee thereof the Collateral so sold or transferred. The Administrative Agent shall apply the net proceeds of any action taken by it pursuant to this Section, after deducting all reasonable costs and expenses of every kind incurred in connection therewith or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Administrative Agent and the other Secured Parties hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Obligations, in accordance with Section 8.2 of the Credit Agreement, and only after such application and after the payment by the Administrative Agent of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need the Administrative Agent account for the surplus, if any, to any Grantor. To the extent permitted by applicable law, each Grantor waives all claims, damages and demands it may acquire against the Administrative Agent or any other Secured Party arising out of the exercise by them of any rights hereunder. If any notice of a

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proposed sale or other disposition of Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

(b) In the event that the Administrative Agent elects not to sell the Collateral, the Administrative Agent retains its rights to dispose of or utilize the Collateral or any part or parts thereof in any manner authorized or permitted by law or in equity and to apply the proceeds of the same towards payment of the Secured Obligations. Each and every method of disposition of the Collateral described in this Agreement shall constitute disposition in a commercially reasonable manner. The Administrative Agent may appoint any Person as agent to perform any act or acts necessary or incident to any sale or transfer of the Collateral.

**Section 7.5 Private Sales of Pledged Securities.** Each Grantor recognizes that the Administrative Agent may be unable to effect a public sale of any or all the Pledged Securities, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Administrative Agent shall be under no obligation to delay a sale of any of the Pledged Securities for the period of time necessary to permit the Issuer thereof to register such securities for public sale under the Securities Act, or under applicable state securities laws, even if such Issuer would agree to do so. Each Grantor agrees to use its best efforts to do or cause to be done all such other acts as may reasonably be necessary to make such sale or sales of all or any portion of the Pledged Securities pursuant to this Section valid and binding and in compliance with any and all other applicable Requirements of Law. Each Grantor further agrees that a breach of any of the covenants contained in this Section will cause irreparable injury to the Administrative Agent and the other Secured Parties, that the Administrative Agent and the other Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants.

**Section 7.6 Waiver: Deficiency.** Each Grantor waives and agrees not to assert any rights or privileges which it may acquire under the UCC or any other applicable law. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or other disposition of the Collateral are insufficient to pay its Obligations or Guaranteed Obligations, as the case may be, and the fees and disbursements of any attorneys employed by the Administrative Agent or any other Secured Party to collect such deficiency.

**Section 7.7 Non-Judicial Enforcement.** The Administrative Agent may enforce its rights hereunder without prior judicial process or judicial hearing, and, to the extent permitted by law, each Grantor expressly waives any and all legal rights which might otherwise require the Administrative Agent to enforce its rights by judicial process.

## ARTICLE VIII

### THE ADMINISTRATIVE AGENT

#### **Section 8.1 The Administrative Agent's Appointment as Attorney-in-Fact.**

(a) Each Grantor hereby irrevocably constitutes and appoints, during the existence of an Event of Default, the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, for the purpose of carrying out the terms of this Agreement, to take any and all reasonably appropriate action and to execute any and all documents and instruments which may be reasonably necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, each Grantor hereby gives the Administrative Agent the power and right, during the existence of an Event of Default, on behalf of such Grantor, without notice to or assent by such Grantor, to do any or all of the following:

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Confidential portions of this document have been redacted and filed separately with the Commission.

- (i) pay or discharge Taxes and Liens levied or placed on or threatened against the Collateral, effect any repairs or any insurance called for by the terms of this Agreement and pay all or any part of the premiums therefor and the costs thereof;
- (ii) execute, in connection with any sale provided for in Section 7.4 or Section 7.5, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; and
- (iii) (A) direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Administrative Agent or as the Administrative Agent shall direct; (B) take possession of and indorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any Account, Instrument, General Intangible, Chattel Paper or Payment Intangible or with respect to any other Collateral, and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any or all such moneys due under any Account, Instrument or General Intangible or with respect to any other Collateral whenever payable; (C) ask or demand for, collect, and receive payment of and receipt for any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (D) sign and indorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications, notices and other documents in connection with any of the Collateral; (E) receive, change the address for delivery, open and dispose of mail addressed to any Grantor, and execute, assign and indorse negotiable and other instruments for the payment of money, documents of title or other evidences of payment, shipment or storage for any form of Collateral on behalf of and in the name of any Grantor; (F) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any portion thereof and to enforce any other right in respect of any Collateral; (G) defend any suit, action or proceeding brought against such Grantor with respect to any Collateral; (H) settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Administrative Agent may deem appropriate; (I) assign any Patent or Trademark (along with the goodwill of the business to which any such Trademark pertains) throughout the world for such term or terms, on such conditions, and in such manner as the Administrative Agent shall in its sole discretion determine; and (J) generally, sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and do, at the Administrative Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's and the other Secured Parties' security interests therein and to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

Anything in this subsection to the contrary notwithstanding, the Administrative Agent agrees that it will not exercise any rights under the power of attorney provided for in this subsection unless an Event of Default shall have occurred and be continuing. The Administrative Agent shall give the relevant Grantor notice of any action taken pursuant to this subsection when reasonably practicable; provided that the Administrative Agent shall have no liability for the failure to provide any such notice.

(b) If any Grantor fails to perform or comply with any of its agreements contained herein within the applicable grace periods, the Administrative Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

(c) The expenses of the Administrative Agent incurred in connection with actions undertaken as provided in this Section, together with interest thereon at the rate for Default Interest from the date of payment by the Administrative Agent to the date reimbursed by the relevant Grantor, shall be payable by such Grantor to the Administrative Agent on demand.

(d) Each Grantor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof and in compliance herewith. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

**Section 8.2 Duty of the Administrative Agent.** The Administrative Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the UCC or otherwise, shall be to deal with it in the same manner as the Administrative Agent deals with similar property for its own account and shall be deemed

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to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which comparable secured parties accord comparable collateral. Neither the Administrative Agent, any other Secured Party nor any of their respective officers, directors, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The powers conferred on the Administrative Agent and the other Secured Parties hereunder are solely to protect the Administrative Agent's and the other Secured Parties' interests in the Collateral and shall not impose any duty upon the Administrative Agent or any other Secured Party to exercise any such powers. The Administrative Agent and the other Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable judgment. To the fullest extent permitted by applicable law, the Administrative Agent shall be under no duty whatsoever to make or give any presentment, notice of dishonor, protest, demand for performance, notice of non-performance, notice of intent to accelerate, notice of acceleration, or other notice or demand in connection with any Collateral, or to take any steps necessary to preserve any rights against any Grantor or other Person or ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not it has or is deemed to have knowledge of such matters. Each Grantor, to the extent permitted by applicable law, waives any right of marshaling in respect of any and all Collateral, and waives any right to require the Administrative Agent or any other Secured Party to proceed against any Grantor or other Person, exhaust any Collateral or enforce any other remedy which the Administrative Agent or any other Secured Party now has or may hereafter have against any Grantor or other Person.

**Section 8.3 Filing of Financing Statements**. Pursuant to the UCC and any other applicable law, each Grantor authorizes the Administrative Agent, its counsel or its representative, at any time and from time to time, to file or record financing statements, continuation statements, amendments thereto and other filing or recording documents or instruments with respect to the Collateral without the signature of such Grantor in such form and in such offices as the Administrative Agent reasonably determines appropriate to perfect the security interests of the Administrative Agent under this Agreement. Additionally, each Grantor authorizes the Administrative Agent, its counsel or its representative, at any time and from time to time, to file or record such financing statements that describe the collateral covered thereby as "all assets of the Grantor", "all personal property of the Grantor" or words of similar effect. A photographic or other reproduction of this Agreement shall be sufficient as a financing statement or other filing or recording document or instrument for filing or recording in any jurisdiction.

**Section 8.4 Authority of the Administrative Agent**. Each Grantor acknowledges that the rights and responsibilities of the Administrative Agent under this Agreement with respect to any action taken by the Administrative Agent or the exercise or non-exercise by the Administrative Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Administrative Agent and the other Secured Parties, be governed by the Credit Agreement and by such other agreements with respect thereto as may exist from time to time among them, but, as between the Administrative Agent and the Grantors, the Administrative Agent shall be conclusively presumed to be acting as agent for the Secured Parties with full and valid authority so to act or refrain from acting, and no Grantor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

## ARTICLE IX

### SUBORDINATION OF INDEBTEDNESS

**Section 9.1 Subordination of All Guarantor Claims**. As used herein, the term "Guarantor Claims" shall mean all debts and obligations of Parent, the Borrower or any other Grantor to any Grantor, whether such debts and obligations now exist or are hereafter incurred or arise, or whether the obligation of the debtor thereon be direct, contingent, primary, secondary, several, joint and several, or otherwise, and irrespective of whether such debts or obligations be evidenced by note, contract, open account, or otherwise, and irrespective of the Person or Persons in whose favor such debts or obligations may, at their inception, have been or may hereafter be created, or the manner in which they have been or may hereafter be acquired. After the occurrence and during the continuation of an Event of Default, no Grantor shall receive or collect, directly or indirectly, from any obligor in respect thereof any amount upon the Guarantor Claims.

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**Section 9.2** **Claims in Bankruptcy**. In the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief or other insolvency proceedings involving any Grantor, the Administrative Agent on behalf of the Secured Parties shall have the right to prove their claim in any proceeding, so as to establish their rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable upon Guarantor Claims. Each Grantor hereby assigns such dividends and payments to the Administrative Agent for the benefit of the Secured Parties for application against the Secured Obligations as provided under Section 8.2 of the Credit Agreement. Should the Administrative Agent or any other Secured Party receive, for application upon the Secured Obligations, any such dividend or payment which is otherwise payable to any Grantor, and which, as between such Grantor, shall constitute a credit upon the Guarantor Claims, then upon payment in full of the Secured Obligations and termination of all Commitments, the intended recipient shall become subrogated to the rights of the Administrative Agent and the other Secured Parties to the extent that such payments to the Administrative Agent and the other Secured Parties on the Guarantor Claims have contributed toward the liquidation of the Secured Obligations, and such subrogation shall be with respect to that proportion of the Secured Obligations which would have been unpaid if the Administrative Agent and the other Secured Parties had not received dividends or payments upon the Guarantor Claims.

**Section 9.3** **Payments Held in Trust**. In the event that, notwithstanding Section 9.1 and Section 9.2, any Grantor should receive any funds, payments, claims or distributions which are prohibited by such Sections, then it agrees (a) to hold in trust for the Administrative Agent and the other Secured Parties an amount equal to the amount of all funds, payments, claims or distributions so received, and (b) that it shall have absolutely no dominion over the amount of such funds, payments, claims or distributions except to pay them promptly to the Administrative Agent, for the benefit of the Secured Parties; and each Grantor covenants promptly to pay the same to the Administrative Agent.

**Section 9.4** **Liens Subordinate**. Each Grantor agrees that, until the Secured Obligations are paid in full and all Commitments have terminated, any Liens securing payment of the Guarantor Claims shall be and remain inferior and subordinate to any Liens securing payment of the Secured Obligations, regardless of whether such encumbrances in favor of such Grantor, the Administrative Agent or any other Secured Party presently exist or are hereafter created or attach. Without the prior written consent of the Administrative Agent, no Grantor, during the period in which any of the Secured Obligations are outstanding and all Commitments have terminated, shall (a) exercise or enforce any creditor's right it may have against any debtor in respect of the Guarantor Claims, or (b) foreclose, repossess, sequester or otherwise take steps or institute any action or proceeding (judicial or otherwise, including, without limitation, the commencement of or joinder in any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any Lien held by it.

**Section 9.5** **Notation of Records**. Upon the request of the Administrative Agent, all promissory notes and all accounts receivable ledgers or other evidence of the Guarantor Claims accepted by or held by any Grantor shall contain a specific written notice thereon that the indebtedness evidenced thereby is subordinated under the terms of this Agreement.

## ARTICLE X

### MISCELLANEOUS

**Section 10.1** **Waiver**. No failure on the part of the Administrative Agent or any other Secured Party to exercise and no delay in exercising, and no course of dealing with respect to, any right, remedy, power or privilege under any of the Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any of the Loan Documents preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided herein are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. The exercise by the Administrative Agent of any one or more of the rights, powers and remedies herein shall not be construed as a waiver of any other rights, powers and remedies, including, without limitation, any rights of set-off.

**Section 10.2** **Notices**. All notices and other communications provided for herein shall be given in the manner and subject to the terms of Section 10.1 of the Credit Agreement; provided that any such notice, request or demand to or upon any Guarantor shall be addressed to such Guarantor at its notice address set forth on Schedule 1.

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**Section 10.3 Payment of Expenses, Indemnities**

(a) Each Grantor agrees to pay or promptly reimburse the Administrative Agent and each other Secured Party for all advances and reasonable and documented out-of-pocket charges, costs and expenses (including, without limitation, all reasonable and documented out-of-pocket costs and expenses of holding, preparing for sale and selling, collecting or otherwise realizing upon the Collateral and all reasonable and documented out-of-pocket attorneys' fees, legal expenses and court costs) incurred by any Secured Party in connection with the exercise of its respective rights and remedies hereunder, including, without limitation, any advances and reasonable and documented out-of-pocket charges, costs and expenses that may be incurred in any effort to enforce any of the provisions of this Agreement or any obligation of any Grantor in respect of the Collateral or in connection with (i) the preservation of the Lien of, or the rights of the Administrative Agent or any other Secured Party under, this Agreement, (ii) any actual or attempted sale, lease, disposition, exchange, collection, compromise, settlement or other realization in respect of, or care of, the Collateral, including all such costs and expenses incurred in any bankruptcy, reorganization, workout or other similar proceeding, or (iii) collecting against such Grantor under the guarantee contained in Article II or otherwise enforcing or preserving any rights under this Agreement and the other Loan Documents to which such Grantor is a party.

(b) Each Grantor agrees to pay, and to save the Administrative Agent and the other Secured Parties harmless from, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including, without limitation, court costs and attorneys' fees and any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement) incurred because of, incident to, or with respect to the Collateral (including, without limitation, any exercise of rights or remedies in connection therewith) or the execution, delivery, enforcement, performance or administration of this Agreement, to the extent the Borrower would be required to do so pursuant to Section 10.3 of the Credit Agreement.

(c) All amounts for which any Grantor is liable pursuant to this Section shall be due and payable by such Grantor to the Administrative Agent or any Secured Party upon demand.

**Section 10.4 Amendments in Writing**. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 10.2 of the Credit Agreement.

**Section 10.5 Successors and Assigns**. This Agreement shall be binding upon the successors and assigns of each Grantor and shall inure to the benefit of the Administrative Agent and the other Secured Parties, the future holders of the Loans, and their respective successors and assigns; provided that no Grantor may assign, transfer or delegate any of its rights or Secured Obligations under this Agreement without the prior written consent of the Administrative Agent and the Lenders.

**Section 10.6 Severability**. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

**Section 10.7 Counterparts**. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

**Section 10.8 Survival**. The obligations of the parties under Section 10.3 shall survive the repayment of the Secured Obligations and the termination of the Credit Agreement, the Letters of Credit (or the Cash Collateralization thereof in accordance with the terms of the Credit Agreement), the Commitments, the Hedging Obligations and the Bank Product Obligations. To the extent that any payments on the Secured Obligations or proceeds of any Collateral are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver or other Person under any bankruptcy law, common law or equitable cause, then, to such extent, the Secured Obligations so satisfied shall be revived and continue as if such payment or proceeds had not been received and the Administrative Agent's and the other Secured Parties' Liens, security interests, rights, powers and remedies under this Agreement and each other applicable Collateral Document shall continue in full force and effect. In such event, each applicable Collateral Document shall be automatically reinstated and each

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Grantor shall take such action as may be reasonably requested by the Administrative Agent and the other Secured Parties to effect such reinstatement.

**Section 10.9 Captions.** Captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

**Section 10.10 No Oral Agreements.** The Loan Documents embody the entire agreement and understanding between the parties and supersede all other agreements and understandings between such parties relating to the subject matter hereof and thereof. The Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

**Section 10.11 Governing Law; Submission to Jurisdiction.**

(a) This Agreement and the other Loan Documents any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be construed in accordance with and be governed by the law (without giving effect to the conflict of law principles thereof except for Sections 5-1401 and 5-1402 of the New York General Obligations Law) of the State of New York.

(b) Each Grantor hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York, and of the Supreme Court of the State of New York sitting in New York County, and of any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such District Court or such New York state court or, to the extent permitted by applicable law, such appellate court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or any other Loan Document shall affect any right that the Administrative Agent, the Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against Parent, the Borrower or their respective properties in the courts of any jurisdiction.

(c) Each Grantor irrevocably and unconditionally waives any objection which it may now or hereafter have to the laying of venue of any such suit, action or proceeding described in subsection (b) of this Section and brought in any court referred to in subsection (b) of this Section. Each of the parties hereto irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to the service of process in the manner provided for notices in Section 10.2. Nothing in this Agreement or in any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

**Section 10.12 WAIVER OF JURY TRIAL.** EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

**Section 10.13 Acknowledgments.**

(a) Each Grantor hereby acknowledges that:

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Confidential portions of this document have been redacted and filed separately with the Commission.

- (i) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents to which it is a party;
- (ii) neither the Administrative Agent nor any other Secured Party has any fiduciary relationship with or duty to any Grantor arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Grantors, on the one hand, and the Administrative Agent and the other Secured Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and
- (iii) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Secured Parties or among the Grantors and the Lenders.

(b) Each of the parties hereto specifically agrees that it has a duty to read this Agreement and the other Loan Documents to which it is a party and agrees that it is charged with notice and knowledge of the terms of this Agreement and the other Loan Documents to which it is a party; that it has in fact read this Agreement and the other Loan Documents to which it is a party and is fully informed and has full notice and knowledge of the terms, conditions and effects of this Agreement and the other Loan Documents to which it is a party; that it has been represented by independent legal counsel of its choice throughout the negotiations preceding its execution of this Agreement and the other Loan Documents to which it is a party; and has received the advice of its attorney in entering into this Agreement and the other Loan Documents to which it is a party; and that it recognizes that certain of the terms of this Agreement and other Loan Documents to which it is a party result in one party assuming the liability inherent in some aspects of the transaction and relieving the other party of its responsibility for such liability. Each Grantor agrees and covenants that it will not contest the validity or enforceability of any exculpatory provision of this Agreement or the other Loan Documents to which it is a party on the basis that such Grantor had no notice or knowledge of such provision or that the provision is not "conspicuous".

(c) Each Grantor warrants and agrees that each of the waivers and consents set forth in this Agreement are made voluntarily and unconditionally after consultation with outside legal counsel and with full knowledge of their significance and consequences, with the understanding that events giving rise to any defense or right waived may diminish, destroy or otherwise adversely affect rights which such Grantor otherwise may have against any other Grantor, the Administrative Agent, the other Secured Parties or any other Person or against any Collateral. If, notwithstanding the intent of the parties that the terms of this Agreement shall control in any and all circumstances, any such waivers or consents are determined to be unenforceable under applicable law, such waivers and consents shall be effective to the maximum extent permitted by law.

**Section 10.14** Additional Grantors. Each Person that is required to become a party to this Agreement pursuant to Section 5.12 of the Credit Agreement and is not a signatory hereto shall become a Grantor for all purposes of this Agreement upon execution and delivery by such Person of an Assumption Agreement in the form of Annex I.

**Section 10.15** Set-Off. Each Grantor agrees that, in addition to (and without limitation of) any right of set-off, bankers' lien or counterclaim a Secured Party may otherwise have, each Secured Party shall have the right and be entitled (after consultation with the Administrative Agent), at its option, to offset (i) balances held by it or by any of its Affiliates for account of any Grantor or any of its Subsidiaries at any of its offices, in dollars or in any other currency, and (ii) Obligations then due and payable to such Secured Party (or any Affiliate of such Secured Party), which are not paid when due, in which case it shall promptly notify the Borrower and the Administrative Agent thereof, provided that such Secured Party's failure to give such notice shall not affect the validity thereof.

**Section 10.16** Releases.

(a) Release Upon Payment in Full. The grant of the security interest hereunder and all of the rights, powers and remedies in connection herewith shall remain in full force and effect until the payment in full in cash of the Secured Obligations and the termination of the Credit Agreement, the Letters of Credit (or the Cash Collateralization thereof in accordance with the terms of the Credit Agreement) and all Commitments. Upon the payment in full in cash of the Secured Obligations and the termination of the Credit Agreement, the Letters of Credit (or the Cash Collateralization thereof in accordance with the terms of the Credit Agreement) and all Commitments, the Administrative Agent, at the written request and expense of the Borrower, will promptly release, reassign and transfer the Collateral to the Grantors, without recourse, representation, warranty or other assurance of any kind, and declare this Agreement to be of no further force or effect.

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(b) Further Assurances. If any of the Collateral shall be sold, transferred or otherwise disposed of by any Grantor in a transaction permitted by the Credit Agreement, then the Administrative Agent, at the request and sole expense of such Grantor, shall promptly execute and deliver to such Grantor all releases or other documents reasonably necessary for the release of the Liens created hereby on such Collateral and the Capital Stock of such Grantor, made without recourse, representation, warranty or other assurance of any kind. At the request and sole expense of the Borrower, a Grantor shall be released from its obligations hereunder in the event that all the Capital Stock of such Grantor shall be sold, transferred or otherwise disposed of in a transaction expressly permitted by the Credit Agreement; provided that the Borrower shall have delivered to the Administrative Agent, at least 10 Business Days (or such shorter period of time as the Administrative Agent may agree in writing in its sole discretion) prior to the date of the proposed release, a written request for release identifying the relevant Grantor and the terms of the sale or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a certification by the Borrower stating that such transaction is in compliance with the Credit Agreement and the other Loan Documents.

(c) Retention in Satisfaction. Except as may be expressly applicable pursuant to Section 9-620 of the UCC, no action taken or omission to act by the Administrative Agent or the other Secured Parties hereunder, including, without limitation, any exercise of voting or consensual rights or any other action taken or inaction, shall be deemed to constitute a retention of the Collateral in satisfaction of the Secured Obligations or otherwise to be in full satisfaction of the Secured Obligations, and the Secured Obligations shall remain in full force and effect, until the Administrative Agent and the other Secured Parties shall have applied payments (including, without limitation, collections from Collateral) towards the Secured Obligations in the full amount then outstanding or until such subsequent time as is provided in subsection (a) of this Section.

**Section 10.17** Reinstatement. The obligations of each Grantor under this Agreement (including, without limitation, with respect to the guarantee contained in Article II and the provision of collateral herein) shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Parent, the Borrower or any other Grantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Parent, the Borrower or any other Grantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

**Section 10.18** Acceptance. Each Grantor hereby expressly waives notice of acceptance of this Agreement, acceptance on the part of the Administrative Agent and the other Secured Parties being conclusively presumed by their request for this Agreement and delivery of the same to the Administrative Agent.

**Section 10.19** Relation to Other Security Documents. The provisions of this Agreement shall be read and construed with the other Loan Documents referred to below in the manner so indicated.

(a) Credit Agreement. In the event of any conflict between any provision in this Agreement and a provision in the Credit Agreement, such provision of the Credit Agreement shall control.

(b) Patent, Trademark, Copyright Security Agreements. The provisions of any Intellectual Property Security Agreement (or similar agreement) are supplemental to the provisions of this Agreement, and nothing contained in any Intellectual Property Security Agreement (or similar agreement) shall limit any of the rights or remedies of Collateral Agent hereunder.

**Section 10.20** Amendment and Restatement; No Novation. This Agreement constitutes an amendment and restatement of the Existing Security Agreement effective from and after the date hereof. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby are not intended by the parties to be, and shall not constitute, a novation or an accord and satisfaction of the "Guaranteed Obligations" (as defined in the Existing Security Agreement), the "Secured Obligations" (as defined in the Existing Security Agreement), or any other obligations owing to the Administrative Agent or any other Person under the Existing Security Agreement or any other "Loan Document" (as defined in the Existing Credit Agreement). Each of the parties hereto hereby acknowledges and agrees that the pledge and grant of the security interests in the Collateral pursuant to Article III of this Agreement is not intended to, nor shall it be construed to be, a release of any prior pledge or security interests granted by the Grantors in favor of the Administrative Agent (for the benefit of the "Secured Parties" thereunder and Secured Parties hereunder) under the Existing Security Agreement, but is intended to constitute a restatement and reconfirmation

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of the prior pledge and security interests granted by the Grantors in favor of the Administrative Agent (for the benefit of such "Secured Parties" and Secured Parties) in and to the Collateral. Each of the parties hereto hereby acknowledges and agrees that the guarantees pursuant to Article II of this Agreement is not intended to, nor shall it be construed to be, a release of any prior guaranty by any Guarantor under the Existing Security Agreement, but is intended to constitute a restatement and reconfirmation of such prior guaranty.

## **ARTICLE XI**

### **KEEPWELL**

Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Agreement in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Article XI for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Article XI, or otherwise under this Agreement, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until this Agreement has been terminated pursuant to Section 10.16(a). Each Qualified ECP Guarantor intends that this Article XI constitute, and this Article XI shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

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Confidential portions of this document have been redacted and filed separately with the Commission.

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

**BORROWER :**

**LENDINGTREE, LLC**

By: \_\_\_\_\_

Name:

Title:

**PARENT AND GUARANTOR :**

**LENDINGTREE, INC.**

By: \_\_\_\_\_

Name:

Title:

**GUARANTORS :**

**IRON HORSE HOLDINGS, LLC**

By: \_\_\_\_\_

Name:

Title:

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Acknowledged and Agreed to as of the date hereof:

**ADMINISTRATIVE AGENT :**

**SUNTRUST BANK**

By: \_\_\_\_\_

Name:

Title:

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**Notice Addresses**

To Parent:

LendingTree, Inc.

11115 Rushmore Drive

Charlotte, NC 28277

Attn: Chief Financial Officer

with a copy to:

LendingTree, Inc.

11115 Rushmore Drive

Charlotte, NC 28277

Attn: General Counsel

To each Guarantor:

c/o LendingTree, Inc.

11115 Rushmore Drive

Charlotte, NC 28277

Attn: Chief Financial Officer

with a copy to:

c/o LendingTree, Inc.

11115 Rushmore Drive

Charlotte, NC 28277

Attn: General Counsel

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Pledged Securities

<b>Owner</b>	<b>Issuer</b>	<b>Class of Capital Stock</b>	<b>No. of Shares</b>	<b>Certificated or Uncertificated</b>
LendingTree, Inc.	LendingTree, LLC	Series A Preferred	7873.0037116 units	Uncertificated
LendingTree, Inc.	LendingTree, LLC	Series B Preferred	200 units	Uncertificated
LendingTree, Inc.	LendingTree, LLC	Common	1000 units	Uncertificated
LendingTree, LLC	Tree.com BU Holding Company, Inc.	Class A Common	950 shares	Certificated
LendingTree, LLC	Tree.com BU Holding Company, Inc.	Preferred	1,800 shares	Certificated
LendingTree, LLC	LT Real Estate, Inc.	Common	1,000 shares	Certificated
LendingTree, LLC	Home Loan Center, Inc.	Common	100 shares	Certificated
LendingTree, LLC	DegreeTree, Inc.	Class A Common	2,900 shares	Certificated
LendingTree, LLC	DegreeTree, Inc.	Preferred	1,270 shares	Certificated
LendingTree, LLC	Iron Horse Holdings, LLC	Membership Interest	100%	Uncertificated
LendingTree, LLC	Rexford Office Holdings, LLC	Membership Interest	100%	Uncertificated
LendingTree, LLC	LT India Holding Company, LLC	Membership Interest	100%	Uncertificated

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**Filings and Other Actions  
Required to Perfect Security Interests**

**Uniform Commercial Code Filings (UCC-1)**

<b>Grantor</b>	<b>Jurisdiction</b>
LendingTree, LLC	Delaware
LendingTree, Inc.	Delaware
Iron Horse Holdings, LLC	Delaware

**Copyright Filings**

<b>Grantor</b>	<b>Jurisdiction</b>
LendingTree, LLC	United State Copyright Office

**Fixture Filings - None**

<b>Owner</b>	<b>Address</b>	<b>Fixture Filing (Yes/No)</b>

**Bailee Agreements - None**

<b>Bailee</b>	<b>Owner</b>	<b>Location</b>

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**Legal Name, Organizational Status, Chief Executive Office**

<b>Legal Name</b>	<b>Jurisdiction of Organization</b>	<b>Tax ID#</b>	<b>Organizational #</b>	<b>Location of Office</b>
LendingTree, LLC	Delaware	***	2631408	11115 Rushmore Drive Charlotte, NC 28277
LendingTree, Inc.	Delaware	***	4532083	11115 Rushmore Drive Charlotte, NC 28277
Iron Horse Holdings, LLC	Delaware	***	4944115	701 East Bay Street Suite 414 Charleston, SC 29403

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**Prior Names and Prior Chief Executive Offices**

<b>Grantor</b>	<b>Prior Name(s)</b>	<b>Prior Office(s)</b>
LendingTree, Inc.	Tree.com, Inc.	N/A

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**Patents and Patent Licenses**

**Patents**

<b>Title</b>	<b>Application No. and Date</b>	<b>Patent No. and Date</b>	<b>Owner</b>	<b>Status / Next Deadline</b>
METHOD AND COMPUTER NETWORK FOR CO-ORDINATING A LOAN OVER THE INTERNET	09/075136 05/08/1998	6385594 05/07/2002	LendingTree, LLC	Granted
METHOD AND COMPUTER NETWORK FOR CO-ORDINATING A LOAN OVER THE INTERNET	10/080891 02/22/2002	6611816 08/26/2003	LendingTree, LLC	Granted
Methods and Computer Network for Co-Ordinating a Loan Over the Internet	14/537581 11/10/2014	N/A	LendingTree, LLC	Filed
Methods and Systems for Online Credit Offers	14/050781 10/10/2013	N/A	LendingTree, LLC	Filed. Response to Office Action due 10/16/2015.
System and Method for Collecting Financial Information over a Global Communications Network	13/448,170 4/16/2012	9032281	LendingTree, LLC as assigned from Jeremy C. Zongker to Seller by that Patent Assignment, No. 501889867	Filed

**Licensed Patents – LendingTree, LLC**

⑩ [\*\*\*]

LendingTree, LLC currently licenses its Owned Patents to the following parties:

⑩ [\*\*\*]

**Trademarks and Trademark Licenses****Trademarks**

<b>Trademark</b>	<b>Jurisdiction</b>	<b>Registration / Application No. and Date</b>	<b>Owner</b>
DEGREETREE	Australia	1498471 - 01/08/2013	LendingTree, LLC
DEGREETREE	New Zealand	961106 – 06/26/2022	LendingTree, LLC
DONE RIGHT DIRECTORY & Design	United States	3437719 – 05/27/2008	LendingTree, LLC
DONE RIGHT GUARANTEE (Wordmark)	United States	3428235 – 05/13/2008	LendingTree, LLC
Done Right! (Wordmark)	United States	3432705 – 05/20/2008	LendingTree, LLC
GETSMART (Wordmark)	United States	2241814 – 04/27/1999	LendingTree, LLC
DONE RIGHT! (Wordmark)	United States	3432705 – 05/20/2008	LendingTree, LLC
GETSMART (Wordmark)	United States	2241814 – 04/27/1999	LendingTree, LLC
GETSMART (Wordmark)	United States	2949459 – 05/10/2005	LendingTree, LLC
GETSMART (Wordmark)	United States	2929887 – 03/01/2005	LendingTree, LLC
GETSMART & Home Calculator and Dollar Sign Designs	United States	3323701 – 10/30/2007	LendingTree, LLC
INSURANCETREE & Design	United States	3824225 – 07/27/2010	LendingTree, LLC
LENDINGTREE (Wordmark)	United States	2265733 – 07/27/1999	LendingTree, LLC
LENDINGTREE (Wordmark)	United States	2886058 – 09/21/2004	LendingTree, LLC
LENDINGTREE & Design	United States	3873272 – 11/09/2010	LendingTree, LLC
LENDINGTREE MONEYRIGHT & Design	United States	3757322 – 03/09/2010	LendingTree, LLC
Male w/Glasses, Hands on Hips Design	United States	3323716 – 10/30/2007	LendingTree, LLC
Head of Male w/Glasses in Circle Design	United States	3323728 – 10/30/2007	LendingTree, LLC
SMARTY-PANTS (Wordmark)	United States	3323713 – 10/30/2007	LendingTree, LLC
TREE (Wordmark)	United States	3807609 – 06/22/2010	LendingTree, LLC
TREE.COM & Design	United States	3724381 – 12/15/2009	LendingTree, LLC
TREE.COM WHERE SMART DECISIONS START & Design	United States	3833355 – 08/17/2010	LendingTree, LLC
WHEN BANKS COMPETE, YOU WIN (Wordmark)	United States	2440603 – 04/03/2001	LendingTree, LLC
SERVICETREE (Wordmark)	United States	4337410 – 05/21/2013	LendingTree, LLC
SERVICETREE & Design	United States	4337411 – 05/21/2013	LendingTree, LLC
LENDING TREE & Design	South Africa	2005/04757 – 03/10/2005	LendingTree, LLC
LENDINGTREE (Word)	Canada	TMA714738 – 05/21/2008	LendingTree, LLC
LENDING TREE & Design	European Community	003995966 – 11/18/2005	LendingTree, LLC

LENDING TREE & Design	India	1401066 – 02/21/2008	LendingTree, LLC
LENDING TREE & Design	Japan	4889041 – 08/19/2005	LendingTree, LLC
LENDING TREE & Design	New Zealand	726496 – 09/15/2005	LendingTree, LLC
LENDING TREE & Design	Singapore	T0503390D – 08/22/2005	LendingTree, LLC
GETSMART (Wordmark)	Benelux	0606634 – 05/16/1997	LendingTree, LLC
GETSMART (Wordmark)	Canada	TMA608992	LendingTree, LLC
GETSMART (Wordmark)	New Zealand	291069 – 11/18/1998	LendingTree, LLC
GETSMART (Stylized)	India	1401065 – 08/08/2008	LendingTree, LLC
GETSMART LENDING & Design	Canada	TMA686469 – 04/24/2007	LendingTree, LLC
WHEN BANKS COMPETE, YOU WIN (Wordmark)	Canada	TMA714951 – 05/22/2008	LendingTree, LLC
IF YOU NEED A LOAN, YOU'RE NOT ALONE	United States	86/674462 – 06/25/2015	LendingTree, LLC
THE PLACE TO SHOP FOR MONEY	United States	86/674459 – 06/25/2015	LendingTree, LLC
MAGNIFYMONEY	United States	4781167	LendingTree, LLC
MILECARDS.COM	United States	87523344	LendingTree, LLC
MILECARDS	United States	87523376	LendingTree, LLC
DEPOSITACCOUNTS	United States	87523383	LendingTree, LLC
ONLINEBANKS	United States	87523386	LendingTree, LLC
COMPARE RATES. EARN MORE.	United States	87523393	LendingTree, LLC
MAGNIFY MONEY	United States	87523396	LendingTree, LLC
SNAPSCORE	United States	87024367	LendingTree, LLC
VANISHING INTEREST RATE	United States	4778418	LendingTree, LLC
SNAPCAP	United States	4637098	LendingTree, LLC
CHOOSE WISELY	United States	4886937 / 86552518	Iron Horse Holdings, LLC
comparecards.com	United States	4413403 / 85748104	Iron Horse Holdings, LLC
COMPARE. PICK. SAVE.	United States	4363212 / 85576466	Iron Horse Holdings, LLC
COMPARECARDS	United States		Iron Horse Holdings, LLC

**Licensed Trademarks**

[\*\*\*]

**Copyrights and Copyright Licenses**

**U.S. Copyrights**

<b>Title</b>	<b>Registration No.</b>	<b>Claimant</b>	<b>Registration Date</b>
Horizon	TXu 595-439	LendingTree, LLC	12/21/1998
Lend-x website	TX0005595188	LendingTree, LLC	10/08/2002
LendingTree.com website	TX0005595189	LendingTree, LLC	10/08/2002
Deposits Online Website Software	TXu001791029	LendingTree, LLC	
Deposits Online System Software	TXu001791042	LendingTree, LLC	
Snapcap.com	N/A	LendingTree, LLC	
Snapscore.com	N/A	LendingTree, LLC	
Snapcap.co	N/A	LendingTree, LLC	
Getsnapcap.com	N/A	LendingTree, LLC	
DepositAccounts.com	N/A	LendingTree, LLC	
OnlineBanks.com	N/A	LendingTree, LLC	
BankDealBlog.com	N/A	LendingTree, LLC	
HighYieldCheckingDeals.com	N/A	LendingTree, LLC	
Magnifymoney.com	N/A	LendingTree, LLC	
Milecards.com	N/A	LendingTree, LLC	
Credit Concierge product	N/A	Iron Horse Holdings, LLC	N/A
Reporting and Marketing Attribution System	N/A	Iron Horse Holdings, LLC	N/A
CompareCards website	N/A	Iron Horse Holdings, LLC	N/A
CreditConcierge website	N/A	Iron Horse Holdings, LLC	N/A
iOS Product (under development)	N/A	Iron Horse Holdings, LLC	N/A

**Licensed Copyrights – LendingTree, LLC**

[\*\*\*]

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**Commercial Tort Claims**

None.

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**Form of Assumption Agreement**

**THIS ASSUMPTION AGREEMENT**, dated as of [\_\_\_\_\_] (this “Assumption Agreement”), is made by [ *NAME OF NEW SUBSIDIARY* ], a [ *state of incorporation* ] [corporation] (the “Additional Grantor”), in favor of SUNTRUST BANK, as administrative agent (in such capacity, the “Administrative Agent”) for the Secured Parties (as defined in the Guaranty and Security Agreement referred to below). All capitalized terms not defined herein shall have the meanings assigned to them in the Guaranty and Security Agreement.

**WHEREAS**, LENDINGTREE, LLC, a Delaware limited liability company (the “Borrower”), LENDINGTREE, INC., a Delaware corporation (“Parent”), the lenders from time to time parties thereto, the issuing bank party thereto and the Administrative Agent have entered into that certain Amended and Restated Credit Agreement, dated as of November 21, 2017 (as amended, restated, supplemented, replaced, increased, refinanced or otherwise modified from time to time, the “Credit Agreement”);

**WHEREAS**, in connection with the Credit Agreement, the Borrower, Parent, and certain of the Borrower’s Subsidiaries have entered into that certain Amended and Restated Guaranty and Security Agreement, dated as of November 21, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Guaranty and Security Agreement”), in favor of the Administrative Agent for the benefit of the Secured Parties;

**WHEREAS**, the Credit Agreement requires the Additional Grantor to become a party to the Guaranty and Security Agreement; and

**WHEREAS**, the Additional Grantor has agreed to execute and deliver this Assumption Agreement in order to become a party to the Guaranty and Security Agreement;

**NOW, THEREFORE**, it is agreed:

**SECTION 1 . Guaranty and Security Agreement**. By executing and delivering this Assumption Agreement, the Additional Grantor, as provided in Section 10.14 of the Guaranty and Security Agreement, hereby becomes a party to the Guaranty and Security Agreement as a Grantor thereunder with the same force and effect as if originally named therein as a Grantor and, without limiting the generality of the foregoing, hereby expressly assumes all obligations and liabilities of a Grantor thereunder and expressly grants to the Administrative Agent, for the benefit of the Secured Parties, a security interest in all Collateral now owned or at any time hereafter acquired by such Additional Grantor to secure all of such Additional Grantor’s obligations and liabilities thereunder. The information set forth in Schedule A hereto is hereby added to the information set forth in Schedules 1 through 9 to the Guaranty and Security Agreement. The Additional Grantor hereby represents and warrants that each of the representations and warranties contained in Article V of the Guaranty and Security Agreement is true and correct on and as of the date hereof (after giving effect to this Assumption Agreement) as if made on and as of such date.

**SECTION 2 . Governing Law**. THIS ASSUMPTION AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

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Confidential portions of this document have been redacted and filed separately with the Commission.

IN WITNESS WHEREOF, the undersigned has caused this Assumption Agreement to be duly executed and delivered as of the date first above written.  
[ *NAME OF ADDITIONAL GRANTOR* ]

By: \_\_

Name:

Title:

Acknowledged and Agreed to as of the date hereof:

**ADMINISTRATIVE AGENT :**

**SUNTRUST BANK**

By: \_\_\_\_\_

Name:

Title:

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Confidential portions of this document have been redacted and filed separately with the Commission.

**SCHEDULE A**

**Supplement to Schedules of  
Guaranty and Security Agreement**

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**Form of Intellectual Property Security Agreement**

**THIS [COPYRIGHT][PATENT][TRADEMARK] SECURITY AGREEMENT**, dated as of [\_\_\_\_\_] (this “Security Agreement”), is made by [ *NAME OF GRANTOR* ], a [ *state of incorporation* ] [corporation] (the “Grantor”), in favor of SUNTRUST BANK, as administrative agent (in such capacity, together with its successors and permitted assigns, the “Administrative Agent”) for the Secured Parties (as defined in the Guaranty and Security Agreement referred to below).

**WHEREAS** , LENDINGTREE, LLC, a Delaware limited liability company (the “Borrower”), LENDINGTREE, INC., a Delaware corporation (“Parent”), the lenders from time to time parties thereto (the “Lenders”), the issuing bank party thereto and the Administrative Agent have entered into that certain Amended and Restated Credit Agreement, dated as of November 21, 2017 (as amended, restated, supplemented, replaced, increased, refinanced or otherwise modified from time to time, the “Credit Agreement”);

**WHEREAS** , in connection with the Credit Agreement, the Borrower, Parent and certain of the Borrower’s Subsidiaries have entered into that certain Amended and Restated Guaranty and Security Agreement, dated as of November 21, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Guaranty and Security Agreement”), in favor of the Administrative Agent for the benefit of the Secured Parties; and

**WHEREAS** , the Guaranty and Security Agreement requires the Grantor to execute and deliver this Security Agreement;

**NOW, THEREFORE** , in consideration of the premises and in order to ensure compliance with the Credit Agreement, the Grantor hereby agrees as follows:

**SECTION 1 .** Defined Terms. Capitalized terms used herein without definition are used as defined in the Guaranty and Security Agreement.

**SECTION 2 .** Grant of Security Interest in [Copyright][Patent][Trademark] Collateral. The Grantor, as collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations of the Grantor, hereby mortgages, pledges and hypothecates to the Administrative Agent for the benefit of the Secured Parties, and grants to the Administrative Agent for the benefit of the Secured Parties a Lien on and security interest in, all of its right, title and interest in, to and under the following Collateral (the “[Copyright][Patent][Trademark] Collateral”):

(i) all of its Copyrights and all Copyright Licenses providing for the grant by or to the Grantor of any right under any Copyright, including, without limitation, those referred to on Schedule I hereto;

(ii) all renewals, reversions and extensions of the foregoing; and

(iii) all income, royalties, proceeds and liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.]

(i) all of its Patents and all Patent Licenses providing for the grant by or to the Grantor of any right under any Patent, including, without limitation, those referred to on Schedule I hereto;

(ii) all reissues, reexaminations, continuations, continuations-in-part, divisions, renewals and extensions of the foregoing; and

(iii) all income, royalties, proceeds and liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.]

(i) all of its Trademarks and all Trademark Licenses providing for the grant by or to the Grantor of any right under any Trademark, including, without limitation, those referred to on Schedule I hereto;

(ii) all renewals and extensions of the foregoing;

(iii) all goodwill of the business connected with the use of, and symbolized by, each such Trademark; and

(iv) all income, royalties, proceeds and liabilities at any time due or payable or asserted under and with respect to any of the foregoing, including, without limitation, all rights to sue and recover at law or in equity for any past, present and future infringement, misappropriation, dilution, violation or other impairment thereof.]

**SECTION 3 .** Guaranty and Security Agreement. The security interest granted pursuant to this Security Agreement is granted in conjunction with the security interest granted to the Administrative Agent pursuant to the Guaranty and Security Agreement, and the Grantor hereby acknowledges and agrees that the rights and remedies of the Administrative Agent with respect to the security interest in the [Copyright][Patent][Trademark] Collateral made and granted hereby are more fully set forth in the Guaranty and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

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Confidential portions of this document have been redacted and filed separately with the Commission.

**SECTION 4 . Grantor Remains Liable**. The Grantor hereby agrees that, anything herein to the contrary notwithstanding, the Grantor shall assume full and complete responsibility for the prosecution, defense, enforcement or any other necessary or desirable actions in connection with its [Copyrights][Patents] [Trademarks] and [Copyright][Patent][Trademark] Licenses subject to a security interest hereunder.

**SECTION 5 . Counterparts**. This Security Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart.

**SECTION 6 . Governing Law**. This Security Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

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Confidential portions of this document have been redacted and filed separately with the Commission.

IN WITNESS WHEREOF, the Grantor has caused this [Copyright][Patent][Trademark] Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

[ *NAME OF GRANTOR* ]

By: \_\_

Name:

Title:

Acknowledged and Agreed to as of the date hereof:

**ADMINISTRATIVE AGENT :**

**SUNTRUST BANK**

By: \_\_\_\_\_

Name:

Title:

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**[Copyrights][Patents][Trademarks] and [Copyright][Patent][Trademark] Licenses**

I. REGISTERED [COPYRIGHTS][PATENTS][TRADEMARKS]

[Include registration number and date]

II. [COPYRIGHT][PATENT][TRADEMARK] APPLICATIONS

[Include application number and date]

III. [COPYRIGHT][PATENT][TRADEMARK] LICENSES

[Include complete legal description of agreement (name of agreement, parties and date)]

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**Form of Supplement**

**THIS SUPPLEMENT TO GUARANTY AND SECURITY AGREEMENT**, dated as of [\_\_\_\_\_] (this “**Supplement**”), is made by [ *NAME OF GRANTOR* ], a [ *state of incorporation* ] [corporation] (the “**Grantor**”), in favor of SUNTRUST BANK, as administrative agent (in such capacity, the “**Administrative Agent**”) for the Secured Parties (as defined in the Guaranty and Security Agreement referred to below). All capitalized terms not defined herein shall have the meanings assigned to them in the Guaranty and Security Agreement.

**WHEREAS**, LENDINGTREE, LLC, a Delaware limited liability company (the “**Borrower**”), LENDINGTREE, INC., a Delaware corporation (“**Parent**”), the lenders from time to time parties thereto, the issuing bank party thereto and the Administrative Agent have entered into that certain Amended and Restated Credit Agreement, dated as of November 21, 2017 (as amended, restated, supplemented, replaced, increased, refinanced or otherwise modified from time to time, the “**Credit Agreement**”);

**WHEREAS**, in connection with the Credit Agreement, the Borrower, Parent and certain of the Borrower’s Subsidiaries have entered into that certain Amended and Restated Guaranty and Security Agreement, dated as of November 21, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “**Guaranty and Security Agreement**”), in favor of the Administrative Agent for the benefit of the Secured Parties; and

**WHEREAS**, it is a condition precedent to the continued extension of the Loans and the continued issuance of the Letters of Credit under the Credit Agreement that the Grantor grant to the Administrative Agent a security interest in all of its Additional Pledged Collateral (as defined below), and the Grantor wishes to fulfill said condition precedent;

**NOW, THEREFORE**, in consideration of the premises and in order to ensure compliance with the Credit Agreement, the Grantor hereby agrees as follows:

**SECTION 1 . Additional Pledge**. As security for the payment and performance of the Secured Obligations, the Grantor hereby:

- (a) pledges, hypothecates, assigns, charges, mortgages, delivers, sets over, conveys and transfers to the Administrative Agent, for the benefit of the Secured Parties, and grants to the Administrative Agent, for the benefit of the Secured Parties, a security interest in all of the Grantor’s right, title and interest in and to:
- (i) the shares of Capital Stock and Stock Equivalents more particularly described in Schedule I hereto and the certificates, if any, evidencing such shares (the “**Additional Pledged Securities**”) and all cash, instruments and other property from time to time received, receivable or otherwise distributed in exchange for any and all of such Additional Pledged Securities; and
  - (ii) all other Collateral (as defined in the Guaranty and Security Agreement) relating to the Additional Pledged Securities (together with the items described in clause (i) above, the “**Additional Pledged Collateral**”); and

(b) delivers to the Administrative Agent, for the benefit of the Secured Parties, all of the Grantor’s right, title and interest in and to the certificates and instruments, if any, evidencing the Additional Pledged Collateral, accompanied by instruments of transfer or assignment, duly executed in blank.

**SECTION 2 . Representations and Warranties**. The Grantor hereby (a) represents and warrants that it is the legal and beneficial owner of the Additional Pledged Collateral, free and clear of any lien, security interest, option or other charge or encumbrance except for the security interest created by the Guaranty and Security Agreement as supplemented by this Supplement; and (b) restates each representation and warranty set forth in Article 5 of the Guaranty and Security Agreement, as supplemented by this Supplement, as of the date hereof with respect to the Additional Pledged Collateral.

**SECTION 3 . Additional Pledged Collateral**. By execution and delivery of this Supplement, the Additional Pledged Collateral shall become a part of the Collateral referred to in the Guaranty and Security Agreement and shall secure the Secured Obligations as if such Additional Pledged Collateral were Collateral on the Restatement Date, and shall be subject to all of the terms and conditions governing Collateral under the Guaranty and Security Agreement. From and after the date hereof, Schedule 2 to the Guaranty and Security Agreement is hereby amended to add the Additional Pledged Collateral.

**SECTION 4 . Binding Effect**. This Supplement shall become effective when it shall have been executed by the Grantor and thereafter shall be binding upon the Grantor and shall inure to the benefit of the Administrative Agent and the Secured Parties. Upon the effectiveness of this Supplement, this Supplement shall be deemed to be a part of and shall be subject to all of the terms and conditions of the Guaranty and Security Agreement. The Grantor shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of the Lenders.

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Confidential portions of this document have been redacted and filed separately with the Commission.

**SECTION 5 . Governing Law**. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW (WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF) OF THE STATE OF NEW YORK.

**SECTION 6 . Execution in Counterparts**. This Supplement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

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Confidential portions of this document have been redacted and filed separately with the Commission.

**IN WITNESS WHEREOF** , the Grantor has caused this Supplement to be duly executed and delivered by its duly authorized officer as of the date first above written.

[ *NAME OF GRANTOR* ]

By: \_\_

Name:

Title:

Acknowledged and Agreed to as of the date hereof:

**ADMINISTRATIVE AGENT :**

**SUNTRUST BANK**

By: \_\_\_\_\_

Name:

Title:

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Confidential portions of this document have been redacted and filed separately with the Commission.

**SCHEDULE I**

**Additional Pledged Securities**

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**Form of Acknowledgment and Consent**

The undersigned hereby acknowledges receipt of a copy of that certain Amended and Restated Guaranty and Security Agreement, dated as of November 21, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the “Agreement”), made by LENDINGTREE, LLC, a Delaware limited liability company, LENDINGTREE, INC., a Delaware corporation, and the other Grantors parties thereto for the benefit of SUNTRUST BANK, as administrative agent (the “Administrative Agent”). The undersigned agrees for the benefit of the Administrative Agent and the Secured Parties defined therein as follows:

1. The undersigned will be bound by the terms of the Agreement relating to the Pledged Securities issued by the undersigned and will comply with such terms insofar as such terms are applicable to the undersigned.
2. The undersigned will notify the Administrative Agent promptly in writing of the occurrence of any of the events described in Section 6.9(a) of the Agreement with respect to the Pledged Securities issued by the undersigned.
3. The terms of Sections 7.1(c) and 7.5 of the Agreement shall apply to it, *mutatis mutandis*, with respect to all actions that may be required of it pursuant to Sections 7.1(c) or 7.5 of the Agreement with respect to the Pledged Securities issued by the undersigned.

[NAME OF ISSUER]

By: \_\_

Name:

Title:

Address for Notices:

[\_\_\_\_\_]

[\_\_\_\_\_]

Attention: [\_\_\_\_\_]

Telecopy Number: [\_\_\_\_\_]

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**EXHIBIT 2.3**

**FORM OF NOTICE OF REVOLVING BORROWING**

[Date]

SunTrust Bank,

as Administrative Agent

for itself and the Lenders referred to below

Agency Services

303 Peachtree Street, N.E. / 25<sup>th</sup> Floor

Atlanta, Georgia 30308

Attention: Manager

Telecopy Number: (404) 495-2170

E-mail: Agency.Services@SunTrust.com

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of November 21, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the “Credit Agreement”), among LendingTree, LLC, a Delaware limited liability company (the “Borrower”), LendingTree, Inc., a Delaware corporation, the several banks and other financial institutions from time to time party thereto (collectively, the “Lenders”), and SunTrust Bank, as administrative agent for itself and the Lenders (in such capacity, together with its successors and assigns, the “Administrative Agent”). Terms defined in the Credit Agreement are used herein with the same meanings. This notice constitutes a Notice of Revolving Borrowing, and the Borrower hereby requests a Borrowing under the Credit Agreement, and in connection therewith, the Borrower specifies the following information with respect to the Borrowing requested hereby:

- (a) Aggregate principal amount of Revolving Loan Borrowing: \_\_\_\_\_.
- (b) Date of Revolving Loan Borrowing (which is a Business Day): \_\_\_\_\_.
- (c) Type of Revolving Loan Borrowing: \_\_\_\_\_.
- (d) In the case of a Eurodollar Borrowing, initial Interest Period: \_\_\_\_\_.
- (e) Location and number of Borrower’s account to which proceeds of Revolving Loan Borrowing are to be disbursed: \_\_\_\_\_.

The Borrower hereby represents and warrants that, at the time of and immediately after giving effect to the Revolving Loan Borrowing requested hereby:

(i) no Default or Event of Default exists; and

(ii) all representations and warranties of each Loan Party set forth in the Loan Documents are true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties shall be true and correct in all respects).

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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Confidential portions of this document have been redacted and filed separately with the Commission.

Very truly yours,

**LENDINGTREE, LLC**

By:

Name:

Title:

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**EXHIBIT 2.4**

**FORM OF NOTICE OF SWINGLINE BORROWING**

[Date]

SunTrust Bank,

as Administrative Agent

for itself and the Lenders referred to below

Agency Services

303 Peachtree Street, N.E. / 25<sup>th</sup> Floor

Atlanta, Georgia 30308

Attention: Manager

Telecopy Number: (404) 495-2170

E-mail: Agency.Services@SunTrust.com

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of November 21, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the “Credit Agreement”), among LendingTree, LLC, a Delaware limited liability company (the “Borrower”), LendingTree, Inc., a Delaware corporation, the several banks and other financial institutions from time to time party thereto (collectively, the “Lenders”), and SunTrust Bank, as administrative agent for itself and the Lenders (in such capacity, together with its successors and assigns, the “Administrative Agent”). Terms defined in the Credit Agreement are used herein with the same meanings. This notice constitutes a Notice of Swingline Borrowing, and the Borrower hereby requests a Swingline Borrowing under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to the Swingline Borrowing requested hereby:

- (a) Principal amount of Swingline Loan: \_\_\_\_\_.
- (b) Date of Swingline Loan (which is a Business Day) \_\_\_\_\_.
- (c) Location and number of Borrower’s account to which proceeds of the Swingline Loan requested hereby are to be disbursed:  
\_\_\_\_\_.

The Borrower hereby represents and warrants that, at the time of and immediately after giving effect to the Swingline Loan requested hereby:

- (i) no Default or Event of Default exists; and

(ii) all representations and warranties of each Loan Party set forth in the Loan Documents are true and correct in all material respects (other than those representations and warranties that are expressly qualified by a Material Adverse Effect or other materiality, in which case such representations and warranties shall be true and correct in all respects).

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Confidential portions of this document have been redacted and filed separately with the Commission.

Very truly yours,

**LENDINGTREE, LLC**

By:

Name:

Title:

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**EXHIBIT 2.7**

**FORM OF NOTICE OF CONTINUATION/CONVERSION**

[Date]

SunTrust Bank,

as Administrative Agent

for itself and the Lenders referred to below

Agency Services

303 Peachtree Street, N.E. / 25<sup>th</sup> Floor

Atlanta, Georgia 30308

Attention: Manager

Telecopy Number: (404) 495-2170

E-mail: Agency.Services@SunTrust.com

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of November 21, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the “Credit Agreement”), among LendingTree, LLC, a Delaware limited liability company (the “Borrower”), LendingTree, Inc., a Delaware corporation, the several banks and other financial institutions from time to time party thereto (collectively, the “Lenders”), and SunTrust Bank, as administrative agent for itself and the Lenders (in such capacity, together with its successors and assigns, the “Administrative Agent”). Terms defined in the Credit Agreement are used herein with the same meanings. This notice constitutes a Notice of Conversion/Continuation, and the Borrower hereby requests the conversion or continuation of a Revolving Loan Borrowing under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to the Revolving Loan Borrowing to be converted or continued as requested hereby:

- (a) Revolving Loan Borrowing to which this request applies: \_\_\_\_\_.
- (b) Principal amount of Revolving Loan Borrowing to be converted/continued: \_\_\_\_\_.
- (c) Effective date of election (which is a Business Day): \_\_\_\_\_.
- (d) Type of resulting Borrowing: \_\_\_\_\_.
- (e) If the resulting Borrowing is a Eurodollar Borrowing, initial Interest Period: \_\_\_\_\_.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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Confidential portions of this document have been redacted and filed separately with the Commission.

Very truly yours,

**LENDINGTREE, LLC**

By:

Name:

Title:

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**EXHIBIT 2.20A**

**U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of November 21, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), among LendingTree, LLC, a Delaware limited liability company (the "Borrower"), LendingTree, Inc., a Delaware corporation, the several banks and other financial institutions from time to time party thereto (collectively, the "Lenders"), and SunTrust Bank, as administrative agent for itself and the Lenders (in such capacity, together with its successors and assigns, the "Administrative Agent").

Pursuant to the provisions of Section 2.20 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: \_\_

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

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**EXHIBIT 2.20B**

**U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of November 21, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), among LendingTree, LLC, a Delaware limited liability company (the "Borrower"), LendingTree, Inc., a Delaware corporation, the several banks and other financial institutions from time to time party thereto (collectively, the "Lenders"), and SunTrust Bank, as administrative agent for itself and the Lenders (in such capacity, together with its successors and assigns, the "Administrative Agent").

Pursuant to the provisions of Section 2.20 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: \_\_

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

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**EXHIBIT 2.20C**

**U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of November 21, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the “Credit Agreement”), among LendingTree, LLC, a Delaware limited liability company (the “Borrower”), LendingTree, Inc., a Delaware corporation, the several banks and other financial institutions from time to time party thereto (collectively, the “Lenders”), and SunTrust Bank, as administrative agent for itself and the Lenders (in such capacity, together with its successors and assigns, the “Administrative Agent”).

Pursuant to the provisions of Section 2.20 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN, (ii) IRS Form W-8BEN-E or (iii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By: \_\_

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

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**EXHIBIT 2.20D**

**U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Amended and Restated Credit Agreement dated as of November 21, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the “Credit Agreement”), among LendingTree, LLC, a Delaware limited liability company (the “Borrower”), LendingTree, Inc., a Delaware corporation, the several banks and other financial institutions from time to time party thereto (collectively, the “Lenders”), and SunTrust Bank, as administrative agent for itself and the Lenders (in such capacity, together with its successors and assigns, the “Administrative Agent”).

Pursuant to the provisions of Section 2.20 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN, (ii) IRS Form W-8BEN-E or (iii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By: \_\_

Name:

Title:

Date: \_\_\_\_\_, 20[ ]

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**EXHIBIT 5.1(e)**

**FORM OF COMPLIANCE CERTIFICATE**

[Date]

To: SunTrust Bank, as Administrative Agent  
3333 Peachtree Road, N.E.  
7th Floor  
Atlanta, Georgia 30326  
Attention: Cynthia Burton  
Telecopy Number: (404) 926-5173  
E-mail: Cynthia.Burton@SunTrust.com

Ladies and Gentlemen:

Reference is made to that certain Amended and Restated Credit Agreement dated as of November 21, 2017 (as amended, restated, supplemented, or otherwise modified from time to time, the “Credit Agreement”), among LendingTree, LLC, a Delaware limited liability company (the “Borrower”), LendingTree, Inc., a Delaware corporation (“Parent”), the several banks and other financial institutions from time to time party thereto (collectively, the “Lenders”), and SunTrust Bank, as administrative agent for itself and the Lenders (in such capacity, together with its successors and assigns, the “Administrative Agent”). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Credit Agreement.

The undersigned, acting as the chief financial officer of Parent, does hereby certify to the Administrative Agent and each Lender as follows:

1. The consolidated financial statements of Parent and its Subsidiaries attached hereto as Schedule 1 for the fiscal [ *quarter* ] [ *year* ] ending \_\_\_\_\_ (the “Testing Date”) fairly present in all material respects the financial condition of Parent and its Subsidiaries as at the end of such fiscal [ *quarter* ] [ *year* ] on a consolidated basis, and the related statements of income and cash flows of Parent and its Subsidiaries for such fiscal [ *quarter* ] [ *year* ], in accordance with GAAP consistently applied (subject, in the case of such quarterly financial statements, to normal year-end audit adjustments and the absence of footnotes).

2. The calculations set forth on Schedule 2 attached hereto are computations of the financial covenant set forth in Article VI of the Credit Agreement calculated from the financial statements referenced in Section 1 above in accordance with the terms of the Credit Agreement.

3. No Default or Event of Default is in existence [ *except as set forth on Schedule 3 attached hereto (which schedule specifies the details thereof and the action, if any, which Parent and its Subsidiaries have taken or propose to take with respect thereto)* ].

4. As of the Testing Date, [ *there has been no change in the identity of the Subsidiaries as of the end of such Fiscal Year or Fiscal Quarter from the Subsidiaries identified to the Lenders on the Restatement Date or as of the most recent Fiscal Year or Fiscal Quarter, as the case may be* ] [ *there has been a change in the identity of the Subsidiaries as of the end of such Fiscal Year or Fiscal Quarter from the Subsidiaries identified to the Lenders on the Restatement Date or as of the most recent Fiscal Year or Fiscal Quarter, as the case may be, and any such changes are set forth on Schedule 4 attached hereto* ].

5. As of the Testing Date, [ *there has been no change in GAAP or the application thereof since the date of the most recently delivered audited financial statements of Parent and its Subsidiaries* ] [ *there has been a change in GAAP or the application thereof since the date of the most recently delivered audited financial statements of Parent and its Subsidiaries, and any such changes are set forth on Schedule 5 attached hereto (which schedule also specifies the effect of such change on the financial statements accompanying this Compliance Certificate)* ].

6. [ *During the Fiscal Quarter ending on the Testing Date, [INSERT NAME OF APPLICABLE LOAN PARTY] filed an application for the registration of the [COPYRIGHTS][PATENTS][TRADEMARKS] set forth on Schedule 6 attached hereto* ]

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Confidential portions of this document have been redacted and filed separately with the Commission.

*with the [UNITED STATES COPYRIGHT OFFICE][UNITED STATES PATENT AND TRADEMARK OFFICE][OTHER SIMILAR FOREIGN OFFICE OR AGENCY].]*

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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Confidential portions of this document have been redacted and filed separately with the Commission.

**PARENT:**

**LENDINGTREE, INC.**

By: \_\_\_\_\_

Name:

Title:

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Confidential portions of this document have been redacted and filed separately with the Commission.

**SCHEDULE 1**

Financial Statements

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Confidential portions of this document have been redacted and filed separately with the Commission.

**SCHEDULE 2**

Financial Covenant Calculations

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Confidential portions of this document have been redacted and filed separately with the Commission.

**[ SCHEDULE 3 ]**

**Defaults and Events of Default]**

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Confidential portions of this document have been redacted and filed separately with the Commission.

**[ SCHEDULE 4 ]**

Changes to Subsidiaries]

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Confidential portions of this document have been redacted and filed separately with the Commission.

**[ SCHEDULE 5 ]**

Changes to GAAP]

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Confidential portions of this document have been redacted and filed separately with the Commission.

**[ SCHEDULE 6 ]**

New Registered Copyrights, Patents or Trademarks]



## SUBSIDIARIES OF LENDINGTREE, INC.

Name	Jurisdiction of Formation
LendingTree, LLC	DE
Tree.com BU Holding Company, Inc.	DE
DegreeTree, Inc.	DE
Iron Horse Holdings, LLC	DE
Rexford Office Holdings, LLC	DE
Home Loan Center, Inc.	CA
HLC Escrow, Inc.	CA
LT Real Estate, Inc.	DE
LT India Holding Company, LLC	DE

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-207718) and on Form S-8 (No. 333-197952, No. 333-182670 and No. 333-218747) of LendingTree, Inc. of our report dated February 26, 2018 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Charlotte, North Carolina  
February 26, 2018

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO RULE 13a-14(a) OR RULE 15d-14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Douglas R. Lebda, certify that:

1. I have reviewed this annual report on Form 10-K for the period ended December 31, 2017 of LendingTree, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 26, 2018

**/s/ DOUGLAS R. LEBDA**

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Douglas R. Lebda  
*Chairman and Chief Executive Officer*  
*(principal executive officer)*

**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO RULE 13a-14(a) OR RULE 15d-14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, J.D. Moriarty, certify that:

1. I have reviewed this annual report on Form 10-K for the period ended December 31, 2017 of LendingTree, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 26, 2018

**/s/ J.D. MORIARTY**

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J.D. Moriarty  
*Chief Financial Officer*  
*(principal financial officer)*

**CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Douglas R. Lebda, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Annual Report on Form 10-K for the fiscal year ended December 31, 2017 of LendingTree, Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of LendingTree, Inc.

Dated: February 26, 2018

**/s/ DOUGLAS R. LEBDA**

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Douglas R. Lebda  
*Chairman and Chief Executive Officer*  
*(principal executive officer)*

**CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER  
PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, J.D. Moriarty, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Annual Report on Form 10-K for the fiscal year ended December 31, 2017 of LendingTree, Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of LendingTree, Inc.

Dated: February 26, 2018

**/s/ J.D. MORIARTY**

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J.D. Moriarty  
*Chief Financial Officer*  
*(principal financial officer)*