



April 6<sup>th</sup>, 2022

Attention to: Mr. Peter Dale  
PricewaterhouseCoopers LLP  
18 York Street, Suite 2600  
Toronto Ontario M5J 0B2

**RE: Spin-off of Loyalty Ventures Inc. by Alliance Data Systems Corporation**

Sir,

We are replying to your correspondence dated March 1<sup>st</sup>, 2022, in which was submitted information with regard to the tax treatment of the spin-off undertaken *November 5<sup>th</sup>, 2021* by Alliance Data Systems Corporation of its subsidiary Loyalty Ventures Inc.

Based on the information that you provided, the distribution meets the requirements of paragraph 86.1(2)(e) of the Canadian Income Tax Act (the Act). Since you have provided all of the information required under this paragraph, shareholders will be entitled to elect under section 86.1 of the Act in respect of the distribution.

We also acknowledge receipt of your consent to publish the fact that you have provided the information required to meet the conditions of paragraph 86.1(2)(e) of the Act.

However, if IRS reviews the distribution at a later date and determines the distribution taxable, we will reverse our decision.

Should you have any questions, please do not hesitate to contact me at 438-364-5485.

Yours truly,

Qing Zhang CPA, CGA  
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Central and Southern Quebec Taxation Services Office  
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