

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported):
October 27, 2022

LOYALTY VENTURES INC.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-40776
(Commission
File Number)

87-1353472
(IRS Employer
Identification No.)

8235 DOUGLAS AVENUE, SUITE 1200
DALLAS, TX 75225
(Address and Zip Code of Principal Executive Offices)

(972) 338-5170
(Registrant's Telephone Number, including Area Code)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.01 per share	LYLT	The Nasdaq Stock Market LLC

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

Emerging growth company

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

Item 1.01. Entry into a Material Definitive Agreement.

On October 27, 2022, the AIR MILES® Reward Program entered into an amendment of its contract with Bank of Montreal, extending its term to 2024, subject to certain rights of either party to terminate following compliance with notice of default and cure provisions.

The foregoing description is a summary of the material terms of the amendment and is subject to, and qualified in its entirety by, the text of the amendment filed with this Current Report on Form 8-K as Exhibit 10.1 and incorporated by reference in this Item 1.01.

Caution Regarding Forward-Looking Statements

This current report on Form 8-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements give our expectations or forecasts of future events and can generally be identified by the use of words such as “believe,” “expect,” “anticipate,” “estimate,” “intend,” “project,” “plan,” “likely,” “may,” “should” or other words or phrases of similar import. Similarly, statements that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. Forward-looking statements, however, are subject to a number of risks and uncertainties that could cause actual results to differ materially for a variety of reasons, including, among others, our high level of indebtedness; reductions in our credit ratings that limit our ability to access capital markets; increases in market interest rates; the potential for our common stock to be delisted from trading on Nasdaq for failure to meet minimum continuing listing standards; continuing impacts related to COVID-19, including variants, labor shortages, reduction in demand from clients, supply chain disruption for our reward suppliers and capacity constraints, rising costs or other disruptions in the airline or travel industries; changes in geopolitical conditions, including the Russian invasion of Ukraine and related global sanctions and Russian restrictions or actions with respect to local assets; fluctuation in foreign exchange rates; execution of restructuring plans and any resulting cost savings; loss of, or reduction in demand for services from, significant clients; loss of active AIR MILES® Reward Program collectors or greater than expected redemptions by the same; unfavorable resolution of pending or future litigation matters; disruption to operations due to the separation from our former parent or failure of the separation to be tax-free; new regulatory limitations related to consumer protection or data privacy limiting our services; and loss of consumer information due to compromised physical or cyber security. We believe that our expectations are based on reasonable assumptions. No assurances can be given that our expectations will prove to be correct. Additional risks and uncertainties are set forth in the Risk Factors section of both (1) our Form 10-K for the most recently ended fiscal year and (2) any updates in Item 1A, or elsewhere, in our Quarterly Reports on Form 10-Q filed for periods subsequent to such Form 10-K or any updates thereto. Our forward-looking statements speak only as of the date made, and we undertake no obligation, other than as required by applicable law, to update or revise any forward-looking statements, whether as a result of new information, subsequent events, anticipated or unanticipated circumstances or otherwise.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Document Description</u>
10.1 ⁺	Seventh Amendment to Amended and Restated Program Participation Agreement by and between LoyaltyOne, Co. and Bank of Montreal dated as of October 27, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

⁺ Pursuant to Item 601(b)(10)(iv) of Regulation S-K, certain identified information has been excluded from this exhibit.

SIGNATURES

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

Loyalty Ventures Inc.

Date: November 2, 2022

By: /s/ Cynthia L. Hageman
Cynthia L. Hageman
Executive Vice President, General Counsel
and Secretary

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THE EXHIBIT AS SUCH INFORMATION WOULD LIKELY CAUSE COMPETITIVE HARM TO THE REGISTRANT IF PUBLICLY DISCLOSED. SUCH EXCLUSIONS HAVE BEEN MARKED WITH A [****]

LOYALTYONE, CO.

-and-

BANK OF MONTREAL

**SEVENTH AMENDMENT
TO
AMENDED AND RESTATED PROGRAM PARTICIPATION AGREEMENT**

DATED AS OF OCTOBER 27, 2022

36316720.6

SEVENTH AMENDMENT TO AMENDED AND RESTATED

PROGRAM PARTICIPATION AGREEMENT

October 27, 2022 (the “Amendment Effective Date”)

RECITALS:

- A. Bank of Montreal (the “**Bank**”) and LoyaltyOne, Co. (“**LM**”) are parties to that certain Amended and Restated Program Participation Agreement, dated as of November 1, 2017 (which agreement, as amended, supplemented or modified from time to time, is referred to as the “**Agreement**”) pursuant to which the Bank participates in the AIR Miles Rewards Program operated by LM.
- B. All capitalized terms that are used but not defined in this amendment to the Agreement (this “**Seventh Amendment**”) have the meanings attributed to such terms in the Agreement.
- C. Pursuant to Section 12.4 of the Agreement, the Agreement may not be amended, altered or modified except by a written instrument executed by each of the Parties and the Parties wish to now enter into this Seventh Amendment for purposes of making certain amendments, as laid out below, to the Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), each of the undersigned hereby agrees as follows:

- 1. **Prior Agreements.** The terms of the Agreement and the terms set forth in this Seventh Amendment shall as of the Amendment Effective Date continue to govern the BankCard benefits pursuant to the Agreement.
- 2. **Amendments.** The Agreement is hereby amended as follows:
 - (a) Section 4.1(b) of the Agreement is hereby deleted and replaced with:
[****]
 - (b) Section 4.2 of the Agreement is hereby deleted and replaced with:

4.2 **Rights of Termination of the Bank.** If any of the following events or circumstances shall occur or exist, the Bank shall, at any time after the occurrence and during the continuance thereof, have the right to terminate this Agreement upon written notice to LM:

 - (a) the AM Program ceases to operate (other than as a result of a force majeure as defined in Section 4.6(b)) and LM is not making all reasonable efforts to recommence operations; it being agreed that for the purposes of this clause (a) and Section 4.6, the term “ceases to operate” shall mean the inability on the part of LM, for a period of 30 consecutive days, to issue or redeem AM;
 - (b) at any time, on 30 days’ notice to LM, if LM has intentionally carried out any fraudulent or illegal conduct that materially affects the Bank’s financial position in respect of the AM Program;

[****]

- (c) Section 5.3 [****] of the Agreement is hereby deleted and replaced with:

[****]

- (d) In Annex A of the Agreement, the definition of [****] is hereby deleted and replaced with:

[****]

- (e) In Annex A of the Agreement, the definition of [****] is hereby added:

[****]

- (f) In Annex A of the Agreement, the definition of [****] is hereby deleted and replaced with the following:

[****]

- (g) The definition of [****] is hereby deleted and replaced with:

[****]

- (h) Schedule 5.3 is hereby deleted.

3. Incorporation of the Agreement. The terms and conditions of the Agreement shall continue in full force and effect, except to the extent they are expressly superseded or modified by or inconsistent with the terms and conditions of this Seventh Amendment, in which event, the Seventh Amendment shall control.

4. Entire Amendment. This Seventh Amendment constitutes an amendment and supplement of, and not a replacement to, the Agreement. The Agreement and this Seventh Amendment shall be read together and have effect so far as practicable as though all the provisions thereof and hereof were contained in one instrument.

5. Governing Law

This Seventh Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

6. Counterparts

This Seventh Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same agreement.

[Signature page follows]

IN WITNESS WHEREOF the undersigned have executed this Amendment as of the date written above.

LoyaltyOne, Co.
Suite 200, 351 King Street East
Toronto, Ontario M5A 0L6

LOYALTYONE, CO.

Attention:
Email:

By: /s/ Shawn Stewart
Name: Shawn Stewart
Title: President

with a copy to:

LoyaltyOne, Co.
Suite 200, 351 King Street East
Toronto, Ontario M5A 0L6

By: /s/ Bruno Scalzitti
Name: Bruno Scalzitti
Title: VP, Financial Planning &
Analysis

Attention: Legal Services
Email: [****]

Bank of Montreal
55 Bloor Street West
12th Floor,
Toronto, Ontario
M4W 3M5
Attention: [****]
Email: [****]

BANK OF MONTREAL

By: /s/ Andras Lazar
Name: Andras Lazar
Title: VP – Product, Partnerships &
Innovation

with a copy to:

Bank of Montreal
Legal Group
First Canadian Place, 20th Floor
Toronto, Ontario M5X 1A1
Attention: [****]
Email: [****]

By: /s/ Jennifer Douglas
Name: Jennifer Douglas
Title: Head, North American Retail &
Small Business Payments