

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

FORM 10-K

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended December 31, 2015

Commission File No. 0-20570
IAC/INTERACTIVE CORP
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)
555 West 18th Street, New York, New York
(Address of Registrant's principal executive offices)

59-2712887
(I.R.S. Employer Identification No.)
10011
(Zip Code)

(212) 314-7300
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Common Stock, par value \$0.001	The Nasdaq Stock Market LLC (Nasdaq Global Select 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 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 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 is not contained herein, and will not be contained, to the best of the 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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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

As of January 29, 2016, the following shares of the Registrant's Common Stock were outstanding:

Common Stock	77,275,479
Class B Common Stock	5,789,499
Total	83,064,978

The aggregate market value of the voting common stock held by non-affiliates of the Registrant as of June 30, 2015 was \$6,083,825,075. For the purpose of the foregoing calculation only, all directors and executive officers of the Registrant are assumed to be affiliates of the Registrant.

Documents Incorporated By Reference:

Portions of the Registrant's proxy statement for its 2016 Annual Meeting of Stockholders are incorporated by reference into Part III herein.

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PART I

Item 1. Business

OVERVIEW

Who We Are

IAC is a leading media and Internet company comprised of some of the world's most recognized brands and products, such as HomeAdvisor, Vimeo, About.com, Dictionary.com, The Daily Beast, Investopedia, and Match Group's online dating portfolio, which includes Match, OkCupid, Tinder and PlentyOfFish. During the fourth quarter of 2015, IAC realigned itself into the following six reportable segments: Match Group, HomeAdvisor, Publishing, Applications, Video and Other.

For information regarding the results of operations of IAC's segments, as well as their respective contributions to IAC's consolidated results of operations, see "Item 7-Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8-Consolidated Financial Statements and Supplementary Data."

All references to "IAC," the "Company," "we," "our" or "us" in this report are to IAC/InterActiveCorp.

Our History

IAC, initially a hybrid media/electronic retailing company, was incorporated in 1986 in Delaware under the name Silver King Broadcasting Company, Inc. After several name changes (first to HSN, Inc., then to USA Networks, Inc., USA Interactive and InterActiveCorp, and finally, to IAC/InterActiveCorp) and the completion of a number of significant corporate transactions over the years, the Company transformed itself into a leading media and Internet company.

From 1997 through 2002, the Company acquired a controlling interest in Ticketmaster Group, Hotel Reservations Network (later renamed Hotels.com) and Expedia, as well as acquired Match.com and other smaller e-commerce companies. In 2002, the Company contributed its entertainment assets to Vivendi Universal Entertainment LLLP, a joint venture, and sold its interests in that venture to NBC Universal in 2005.

In 2003, the Company continued to grow its portfolio of e-commerce companies by acquiring all of the shares of Expedia, Hotels.com and Ticketmaster that it did not previously own, together with a number of other e-commerce companies (including LendingTree and Hotwire).

In 2005, IAC acquired Ask Jeeves, Inc. and completed the separation of its travel and travel-related businesses and investments into an independent public company called Expedia, Inc. In 2008, IAC separated into five publicly traded companies: IAC, HSN, Inc., Interval Leisure Group, Inc., Ticketmaster and Tree.com, Inc.

In 2009, we sold the European operations of Match.com to Meetic S.A. (now known as Meetic S.A.S. ("Meetic")), a leading European online dating company based in France, in exchange for a 27% interest in Meetic and a €5 million note. In 2010, we exchanged the stock of a wholly-owned subsidiary that held our Evite, Gifts.com and IAC Advertising Solutions businesses and approximately \$218 million in cash for substantially all of Liberty Media Corporation's equity stake in IAC.

In 2011, we increased our ownership stake in Meetic to 81%. In 2012, we acquired About.com.

In 2014, we acquired the remaining publicly traded shares of Meetic, ValueClick's "owned and operated" website businesses, including Investopedia and PriceRunner, and The Princeton Review.

In 2015, we acquired Plentyoffish Media Inc., a leading provider of subscription-based and ad-supported online personals servicing North America, Europe, Latin America and Australia, for \$575 million in cash, and completed the initial public offering of Match Group, Inc.

EQUITY OWNERSHIP AND VOTE

IAC has outstanding shares of common stock, with one vote per share, and Class B common stock, with ten votes per share and which are convertible into common stock on a share for share basis. As of January 29, 2016, Mr. Diller, IAC's Chairman and Senior Executive, owned 5,789,499 shares of IAC Class B common stock and 136,711 shares of IAC common stock. As of this date, Mr. Diller had sole voting and sole investment power with respect to these IAC securities and the shares of IAC Class B common stock held by Mr. Diller represented 100% of IAC's outstanding Class B common stock and, together with the shares of IAC common stock held by Mr. Diller, represented approximately 42.9% of the total outstanding voting power of IAC. Mr. Diller also holds 300,000 vested options and 1,000,000 unvested options to purchase IAC common stock.

On February 22, 2016, in connection with the long-term estate planning of Mr. Diller and his family, Mr. Diller: (i) transferred an aggregate of 136,711 shares of IAC common stock and 5,248,598 shares of IAC Class B common stock to two grantor retained annuity trusts, over which Mr. Diller has sole investment power and Mr. Diller's spouse, Diane von Furstenberg, has sole voting power (the "2016 GRATs"); and (ii) transferred 540,901 shares of IAC Class B common stock to a trust for the benefit of certain of his family members (the "2016 Family Trust"), over which Mr. Diller's stepson, Alexander von Furstenberg, has sole voting and sole investment power.

In addition, pursuant to an amended and restated governance agreement between IAC and Mr. Diller, for so long as Mr. Diller serves as IAC's Chairman and Senior Executive and he beneficially owns (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934) at least 5,000,000 shares of IAC Class B common stock and/or common stock in which he has a pecuniary interest (including by way of sole investment power over the IAC securities in the 2016 GRATs), he generally has the right to consent to limited matters in the event that IAC's ratio of total debt to EBITDA (as defined in the governance agreement) equals or exceeds four to one over a continuous twelve-month period.

As a result of Mr. Diller's sole investment power over the IAC securities in the 2016 GRATs, Ms. von Furstenberg's sole voting power over the IAC securities in the 2016 GRATs, Mr. von Furstenberg's sole voting and sole investment power over the IAC securities in the 2016 Family Trust and Mr. Diller's contractual rights described above, Mr. Diller and his family are, collectively, currently in a position to influence, subject to our organizational documents and Delaware law, the composition of IAC's Board of Directors and the outcome of corporate actions requiring shareholder approval, such as mergers, business combinations and dispositions of assets, among other corporate transactions.

DESCRIPTION OF IAC BUSINESSES

Match Group

Overview

Our Match Group segment includes the dating and non-dating businesses of Match Group, Inc. (“Match Group”), which completed its initial public offering on November 24, 2015. As of December 31, 2015, IAC’s ownership interest and voting interest in Match Group were 84.6% and 98.2%, respectively.

Services

Dating. Through Match Group, we operate a dating business that consists of a portfolio with over 45 brands, available in 38 languages, and offered in over 190 countries, including the following key brands: Match, OkCupid, PlentyOfFish, Tinder, Meetic, Twoo, OurTime, BlackPeopleMeet and FriendScout24. We operate a North America dating business, which includes Match, Chemistry, People Media, PlentyOfFish, OkCupid, Tinder and other dating businesses operating within the United States and Canada, and an International dating business, which includes Meetic, the international operations of PlentyOfFish and Tinder and all other dating businesses operating outside of the United States and Canada.

All of our dating products enable a user to establish a profile and review other people’s profiles without charge. Each of them also offers additional features, some of which are free, and some of which require payment depending on the particular product. In general, access to premium features requires a paid membership, which is typically offered in packages from one month to 12 months, depending on the product and circumstance. Prices differ meaningfully within a given brand by the duration of membership purchased, by the bundle of paid features that a user chooses to access, and by whether or not a customer is taking advantage of any special offers. In addition to paid memberships, many of our dating products, such as Match, Meetic and OkCupid, offer users the ability to promote themselves for a given period of time, or to review certain profiles without any signaling to other members, and these features are offered on a pay-per-use basis. The precise mix of paid and premium features is established over time on a brand-by-brand basis and is constantly subject to iteration and evolution.

Non-Dating. In addition to our dating business, we also operate a non-dating business through Match Group’s ownership of The Princeton Review, which provides a variety of educational test preparation, academic tutoring and college counseling services. The Princeton Review includes Tutor.com (acquired in 2012) and The Princeton Review (acquired in 2014).

Revenue

Substantially all of the Match Group segment’s revenue is attributable to the dating business and substantially all dating revenue is derived directly from users. The significant majority of that revenue comes from recurring membership fees, which typically provide unlimited access to a bundle of features for a specific period of time, and the balance from à la carte features, where users pay a fee for a specific action or event. Each brand offers a combination of free and paid features targeted to its unique community. In addition to direct revenue from users, dating revenue is derived from online advertising. Substantially all of non-dating revenue is derived directly from students.

Marketing

We attract the majority of users of our dating products through word-of-mouth and other free channels. In addition, many of our brands rely on paid customer acquisition for a significant percentage of their users. Our online marketing activities generally consist of purchasing banner and other display advertising, search engine marketing, e-mail campaigns and business development or partnership deals. Our offline marketing activities generally consist of television advertising and related public relations efforts, as well as events.

Competition

The dating industry is competitive and has no single, dominant brand. We compete primarily with other companies that provide similar dating and matchmaking products, including eHarmony, Spark Networks (Jdate, ChristianMingle), Zoosk, Parship, ElitePartner, e-Darling and Badoo.

In addition to other online dating brands, we compete indirectly with offline dating services, such as in-person matchmakers, and social media platforms. Arguably, our biggest competition in the case of our dating business comes from the traditional ways that people meet each other, and the choices some people make to not utilize dating products or services.

We believe that our ability to compete successfully in the case of our dating business will depend primarily upon the following factors:

- our ability to increase consumer acceptance of dating products;
- the continued strength of Match Group's brands;
- the breadth and depth of Match Group's active communities of users relative to its competitors;
- our ability to evolve our dating products in response to competitors' offerings, user requirements, social trends and the technological landscape;
- our ability to efficiently acquire new users for our dating products;
- our ability to continue to optimize our monetization strategies; and
- the design and functionality of our dating products.

HomeAdvisor

Overview

HomeAdvisor is a leading nationwide home services digital marketplace that helps connect consumers with home professionals in the United States, as well as in France and the Netherlands under various brands. HomeAdvisor connects consumers, by way of proprietary and patented technologies, with home services professionals, most of whom are pre-screened and customer-rated.

As of December 31, 2015, HomeAdvisor's domestic network of home services professionals consisted of approximately 102,000 paying service professionals in the United States providing services in more than 500 categories ranging from simple home repairs to larger home remodeling projects. HomeAdvisor generated 9.8 million domestic service requests from homeowners during the year ended December 31, 2015. HomeAdvisor also operates Felix, a pay-per-call advertising service, and mHelpDesk, a provider of cloud based field service software for small to mid-size businesses.

Consumer Services

Matching Services. When a consumer submits a request through the HomeAdvisor marketplace, we generally match that consumer with up to four home services professionals from our network based on the type of services desired and the consumer's location. Consumers can then review profiles of home services professionals with whom they have been matched and select the professional whom they believe best meets their specific needs. In addition to (or in lieu of) submitting a request through our marketplace, consumers can also search, select and contact home service professionals directly through our online directory. In all cases, the consumer is under no obligation to work with home service professionals referred by or found through HomeAdvisor.

On-Demand Services. In 2015, HomeAdvisor introduced two on-demand services to complement its matching services: Instant Booking and Instant Connect (patent-pending). Through Instant Booking, consumers can schedule appointments for select home tasks on-demand with a pre-screened home professional instantly across our platforms (website or mobile application), and through Instant Connect, consumers can connect with a home service professional instantly via phone.

Other Services. In addition to matching and on-demand services, consumers can access our free, online CostGuide, which provides project cost information for more than 250 project types on a local basis, as well as an online library of service-related resources, which primarily includes articles about home improvement, repair and maintenance, tools to assist consumers with the research, planning and management of their projects and general advice for working with home services professionals.

Consumers can also access all HomeAdvisor services and tools on iOS and Android devices, including the Apple Watch[®], through HomeAdvisor's mobile application.

Subscription Services for Home Services Professionals

We offer various annual subscription products for home services professionals. The basic membership package includes membership in our network of home services professionals, as well as a listing in our online directory. Additional membership packages include all of the basic membership package services, plus matches through the marketplace and, in the case of one package, custom website and mobile development and hosting services, as well as integration with mHelpDesk.

Home services professionals who are new to HomeAdvisor must generally sign up for one of the annual subscription products described above. As of December 31, 2015, approximately 93% of the approximately 102,000 domestic paying service professionals within our network had purchased a membership package.

Revenue

The HomeAdvisor segment's revenue is primarily derived from fees paid by home services professionals for consumer matches (regardless of whether the professional ultimately provides the requested service), subscription fees and fees for website hosting services. Fees for matches vary based upon the service requested and where the service is provided.

Marketing

We market our services to consumers primarily through television advertising, as well as search engine marketing and through affiliate agreements with third parties. Pursuant to these agreements, third parties agree to advertise and promote our services and those of our home services professionals on their websites and we agree to pay them a fixed fee when visitors from their websites submit a valid service request through our website (on a cost-per-acquisition basis) or click through to our website (on a cost-per-click basis). We also market our services to consumers through e-mails, digital display advertisements, partnerships with other contextually related websites and, to a lesser extent, through direct mail and radio advertising. We market our subscription packages to home services professionals primarily through our sales force, as well as through search engine marketing, digital media advertising and direct relationships with trade associations.

Competition

We compete with home services-related lead generation services, as well as Internet search engines and directories and with other forms of local advertising, including radio, direct marketing campaigns, yellow pages, newspapers and other offline directories. We also compete with local and national retailers of home improvement products that offer or promote installation services. We believe that our ability to compete successfully will depend primarily upon the following factors:

- the size, quality (as determined, in part, by reference to our pre-screening efforts and customer ratings and reviews), diversity and stability of our network of home services professionals and the quality of the services they provide;
- our continued ability to deliver service requests that convert into revenue for our network of home services professionals in a cost-effective manner;
- whether our subscription products resonate with (and provide value to) our home services professionals;
- the functionality of our websites and mobile applications and the attractiveness of their features and our services generally to consumers and home services professionals, as well as our ability to introduce new products and services that resonate with consumers and home services professionals; and
- our ability to build and maintain awareness of (and loyalty to) the HomeAdvisor brand.

Publishing

Overview

Our Publishing segment consists of:

- our Premium Brands business, which includes About.com, Dictionary.com, Investopedia and The Daily Beast; and
- our Ask & Other business, which includes Ask.com, CityGrid, ASKfm and a labs division focused on accelerating growth for the portfolio of websites within the Publishing segment and incubating new digital publishing sites in emerging verticals.

Our Publishing businesses publish digital content and/or provide search services to users. Those of our Publishing businesses that publish digital content (our Premium Brands) generate such content through various sources, including, for example, through a network of approximately 850 "experts" as of December 31, 2015 in the case of About.com and internal editorial staff in the case of The Daily Beast, and/or acquire such content (or the rights to publish such content) from third parties. Those of our Publishing businesses that provide search services (Ask & Other businesses and About.com, Dictionary.com and Investopedia through search boxes embedded within their websites) generally generate and display of a set of algorithmic search results, or hyperlinks to websites deemed relevant to search queries entered by users. In addition to these algorithmic search results, paid listings are also generally displayed in response to search queries. Paid listings are advertisements displayed on search results pages that generally contain a link to advertiser websites. Paid listings are generally displayed based on keywords selected by advertisers. The paid listings displayed by our Publishing businesses are supplied to us by Google Inc. ("Google") pursuant to a services agreement, which expires on March 31, 2016. Following the expiration of this agreement, a new services agreement with Google, which expires on March 31, 2020, will take effect. The Company may choose to terminate this agreement effective March 31, 2019.

Premium Brands

Our Premium Brands business primarily consists of the following destination websites:

- About.com, which provides detailed information and content written by independent, freelance subject matter experts across hundreds of vertical categories;
- Dictionary.com, which primarily provides online and mobile dictionary, thesaurus and reference services;
- Investopedia, a resource for investment and personal finance education and information; and
- The Daily Beast, a website dedicated to news, commentary, culture and entertainment that curates and publishes existing and original online content from its own roster of contributors in the United States.

Collectively, our Premium Brands business was one of the largest digital publishers in the world during the fiscal year ended December 31, 2015, having reached more than 100 million U.S. users a month during this period.

Ask & Other

Our Ask & Other business consists of:

- Ask.com, which provides general search services, as well as question and answer services that provide direct answers to natural-language questions;
- CityGrid, an advertising network that integrates local content and advertising for distribution to affiliated and third party publishers across web and mobile platforms;
- ASKfm, a questions and answers social network; and
- a labs division focused on accelerating growth for its portfolio of websites and incubating new digital publishing sites in emerging verticals.

Revenue

The Publishing segment's revenue consists principally of advertising revenue, which is generated primarily through the display of paid listings in response to search queries, display advertisements and fees related to paid mobile downloadable applications. The substantial majority of the paid listings that our Publishing businesses display are supplied to us by Google pursuant to our services agreement with Google.

Pursuant to this agreement, those of our Publishing businesses that provide search services transmit search queries to Google, which in turn transmits a set of relevant and responsive paid listings back to these businesses for display in search results. This ad-serving process occurs independently of, but concurrently with, the generation of algorithmic search results for the same search queries. Google paid listings are displayed separately from algorithmic search results and are identified as sponsored listings on search results pages. Paid listings are priced on a price per click basis and when a user submits a search query through one of our Publishing businesses and then clicks on a Google paid listing displayed in response to the query, Google bills the advertiser that purchased the paid listing directly and shares a portion of the fee charged to the advertiser with us. We recognize paid listing revenue from Google when it delivers the user's click. In cases where the user's click is generated due to the efforts of a third party distributor, we recognize the amount due from Google as revenue and record a revenue share or other payment obligation to the third party distributor as traffic acquisition costs. See "Item 1A-Risk Factors-We depend upon arrangements with Google and any adverse change in this relationship could adversely affect our business, financial condition and results of operations."

Competition

We compete with a wide variety of parties in connection with our efforts to attract and retain users and advertisers to our Publishing businesses.

In terms of publishing digital content, our competitors include destination websites that primarily acquire traffic through paid and algorithmic search results in relevant vertical categories and social channels. In terms of providing search services, generally our competitors include Google, Yahoo!, Bing and other destination search websites and search-centric portals (some of which provide a broad range of content and services and/or link to various desktop applications).

Moreover, some of the current and potential competitors of our Publishing businesses have longer operating histories, greater brand recognition, larger customer bases and/or significantly greater financial, technical and marketing resources than we do. As a result, they have the ability to devote comparatively greater resources to the development and promotion of their products and services, which could result in greater market acceptance of their products and services relative to those offered by us.

We believe that the ability of our Publishing businesses to compete successfully will depend primarily upon:

- the quality of the content and features on our various Publishing platforms (websites and mobile applications), and the attractiveness of the services provided by these platforms generally, relative to those of our competitors;
- our ability to successfully generate and acquire content (or the rights thereto) in a cost-effective manner;
- the relevance and authority of content, search results and answers;
- our ability to successfully market the content and search services offered by our Publishing businesses in a cost-effective manner; and
- our continued ability to differentiate Ask.com from its competitors through question and answer services that endeavors to provide accurate, authoritative and direct answers to natural-language questions (in the form of algorithmic search results and/or responses from other Ask.com users, as well as indexed question and answer pairings from various websites and online services), as well as our ability to attract advertisers to this initiative.

Applications

Overview

Our Applications segment consists of:

- Consumer, which includes our direct-to-consumer downloadable desktop applications, including SlimWare, and Apalon, which houses our mobile applications; and
- Partnerships, which includes our business-to-business partnership operations.

Our Applications businesses provide search services and a variety of utility applications to users.

Consumer

Through our Consumer business, we develop, market and distribute a variety of utility applications, or downloadable desktop applications that offer users the ability to access search services, as well as engage in a number of other activities online. The majority of our utility applications are toolbars, which consist of a browser search box and related technology that together enable users to run search queries and otherwise access search services directly from their web browsers. Many of our toolbars are coupled with other applications that we have developed that provide users with access to various forms of content and software capabilities. These applications include: *MapsGalaxy*, through which users can access accurate street maps, local traffic conditions and aerial and satellite street views; *FromDoctoPDF*, through which users can convert documents from one format into various others and share them across multiple platforms; *TelevisionFanatic*, through which users can access and stream free television episodes online for free; and *Gaming Wonderland*, through which users can access classic arcade, sports and action and other casual games directly from their web browsers. Other utility applications target users with a special or passionate interest in select vertical categories (such as recipes, film and gossip, among others) or provide users with particular reference information or access to specific capabilities (such as weather forecasts and internet speed, among others). We distribute our utility applications directly to consumers free of charge.

SlimWare is a provider of community-powered software and services that clean, repair, update and optimize personal computers, and Apalon is an award-winning mobile development company with one of the largest and most popular portfolios of mobile applications worldwide.

Partnerships

Through our Partnerships business, we work closely with partners in the software, media and other industries to design and develop customized browser-based search applications to be bundled and distributed with these partners' products and services.

Revenue

Substantially all of the Applications segment's revenue consists of advertising revenue generated principally through the display of paid listings in response to search queries. The substantial majority of the paid listings displayed by our Applications businesses are supplied to us by Google in the manner and pursuant to the services agreement described above under "-Publishing-Revenue." To a significantly lesser extent, the Applications segment's revenue also consists of fees related to subscription downloadable applications, fees related to paid mobile downloadable applications and display advertisements.

Competition

We compete with a wide variety of parties in connection with our efforts to develop, market and distribute applications and related technology directly and through third parties. Competitors of our Applications businesses include Google, Yahoo!, Bing and other third party toolbar, convenience search and applications providers and other search technology and convenience service providers.

Moreover, some of the current and potential competitors of our Applications businesses have longer operating histories, greater brand recognition, larger customer bases and/or significantly greater financial, technical and marketing resources than we do. As a result, they have the ability to devote comparatively greater resources to the development and promotion of their products and services, which could result in greater market acceptance of their products and services relative to those offered by us.

We believe that the ability of our Applications businesses to compete successfully will depend primarily upon our continued ability to:

- create toolbars and other applications that resonate with consumers (which requires that we continue to bundle attractive features, content and services, some of which may be owned by third parties, with quality search services);
- maintain industry-leading monetization solutions for our applications;
- differentiate our toolbars and other applications from those of our competitors (primarily through providing customized toolbars and access to multiple search and other services through our toolbars);
- secure cost-effective distribution arrangements with third parties; and
- market and distribute our toolbars and other applications directly to consumers in a cost-effective manner.

Video

Overview

Our Video segment consists primarily of Vimeo and DailyBurn, as well as Electus, IAC Films, CollegeHumor and Notional.

Vimeo

Services. Vimeo operates a global video sharing platform for creators and their audiences. Through Vimeo, we offer video creators simple, professional grade tools to share, distribute and monetize content online, and provide viewers with a clutter-free environment to watch content across a variety of Internet-enabled devices, including mobile devices and connected television platforms. We offer these basic services free of charge.

We also offer premium services through subscription products, which provide paying subscribers with various levels of premium features, including: additional video storage space, advanced video privacy controls, extensive video player customization options, premium support and the ability to sell videos. As of December 31, 2015, Vimeo had approximately 676,000 paid subscribers and reached over 200 million unique users worldwide.

We also provide transactional video-on-demand services through Vimeo On Demand, through which video creators can sell videos they create to viewers. As of December 31, 2015, Vimeo On Demand featured approximately 32,000 titles in a variety of genres from nearly 10,000 creators and more than 1,200,000 consumers purchased Vimeo On Demand titles on www.vimeo.com or on third party websites with an embedded Vimeo On Demand player. Titles are added from video creators by way of direct uploads to www.vimeo.com and acquired through negotiated agreements with content owners, producers and distributors.

We also sell custom advertising through our Brand Studio service, which connects advertisers with video creators to produce original, branded videos, which are then presented as brand-sponsored content on www.vimeo.com and/or the advertiser websites.

Marketing. We market Vimeo's services primarily through online marketing efforts, including search engine marketing, e-mail campaigns, display advertising, affiliate marketing and offline advertising (primarily television) and through upgrade channels on the Vimeo platform (website and mobile application).

Revenue. Vimeo revenue is derived primarily from subscription fees and, to a lesser extent, from video distribution and advertising sales.

Competition. Vimeo competes with a variety of online video providers, including those that serve video creators and consumers through advertising-supported, subscription or transactional fee models. We believe that Vimeo differentiates itself from its competitors by offering a customizable, high definition video player, proprietary uploading and encoding infrastructure and a clutter-free viewing experience (advertisements are not placed in video streams). We believe that our ability to compete successfully will depend primarily on:

- the quality of our technology platform and the viewing and production experiences we provide consumers and video creators across Internet-connected devices (desktop, mobile and television);
- whether our subscription offerings resonate with video creators;
- our ability to attract high-quality content, both for free and fee-based viewing;
- the accessibility of our videos on search engines and social media platforms;
- the recognition and strength of the Vimeo brand relative to those of our competitors; and
- our ability to drive new subscribers and viewers to our platform through various forms of direct advertising.

DailyBurn

Services. DailyBurn is a health and fitness property that provides streaming fitness and workout videos across a variety of platforms, including iOS, Android, Xbox and other Internet-enabled television platforms.

Revenue. DailyBurn's revenue consists primarily of subscription fees.

Marketing. We market our streaming fitness and workout videos primarily through television advertising, advertising on ad-supported video-on-demand services and content platforms and search engine marketing.

Competition. The fitness and workout market is highly competitive and barriers to entry, particularly in the case of online platforms, are minimal. We compete primarily with other streaming fitness and workout platforms and, to a lesser extent, fitness and workout DVDs.

Electus

Services. Through Electus, we provide production and producer services for both unscripted and scripted television, feature film and digital content, primarily for initial sale and distribution in the United States. Our content is distributed on a wide range of platforms, including broadcast television, premium and basic cable television, subscription-based and ad-supported video-on-demand services and through theatrical releases and other outlets. We sell and distribute Electus programming and other content, together with programming and other content developed by third parties, outside of the United States through Electus International. We also work with various brands to integrate their products into, as well as sponsor, Electus content through our Content Marketing team.

In addition, we operate Electus Digital, which consists of the following websites and properties: CollegeHumor.com, Dorkly.com and WatchLOUD.com; YouTube channels WatchLOUD, Nuevon and Hungry; and Big Breakfast (a production company). The various brands and businesses within Electus Digital specialize in creating content for digital, television and feature film platforms across a variety of genres, as well as provide branded and third party creative production services. Through Electus, we also operate Notional.

Revenue. Electus revenue is derived primarily from media production and distribution and display advertisements.

Marketing. We do not engage in any formal marketing efforts in the case of our production and executive producer services, instead relying on referrals and the quality of our services and projects. For content distribution, we rely on our sales force, referrals and the quality of our services and projects, and for international distribution only, attendance at industry trade shows. In addition, the platforms to which we license our content for distribution market our content through their own independent marketing efforts. Electus Digital attracts users and audience primarily through social media, search engine marketing and affiliate agreements.

Competition. We compete with entertainment studios, production companies, distribution companies, creative agencies and content websites. We believe that our ability to compete successfully will depend primarily upon the following factors:

- the quality and diversity of our content and the third parties to whom we license our content, as well as the quality of the services provided by licensees of our content;
- our continued ability to create new content that resonates with licensees and viewers; and
- our ability to sell integration and sponsorship opportunities for our content.

Other

Our Other segment consists of ShoeBuy, an Internet retailer of footwear and related apparel and accessories, and PriceRunner, a shopping comparison website.

ShoeBuy is an Internet retailer of footwear and related apparel and accessories. ShoeBuy generally passes purchases made by customers through its various websites on to the relevant vendors for fulfillment and shipping. ShoeBuy's revenue consists of merchandise sales, reduced by incentive discounts and sales returns. We market ShoeBuy to consumers primarily through search engine marketing, affiliate agreements and comparison shopping engines. ShoeBuy competes primarily with other leading Internet footwear and other retailers and traditional footwear and other retailers with an offline and online presence.

PriceRunner is a shopping comparison website based primarily in Denmark and Sweden. PriceRunner revenue consists principally of advertising revenue.

Employees

As of December 31, 2015, IAC and its subsidiaries employed approximately 5,000 full-time employees. IAC believes that it generally has good employee relationships, including relationships with employees represented by unions or other similar organizations.

Additional Information

Company Website and Public Filings. The Company maintains a website at www.iac.com. Neither the information on the Company's website, nor the information on the website of any IAC business, is incorporated by reference into this annual report, or into any other filings with, or into any other information furnished or submitted to, the SEC.

The Company makes available, free of charge through its website, its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K (including related amendments) as soon as reasonably practicable after they have been electronically filed with (or furnished to) the SEC.

Code of Ethics. The Company's code of ethics applies to all employees (including IAC's principal executive officers (its Chairman and Senior Executive and Chief Executive Officer), principal financial officer (its acting Principal Financial Officer) and principal accounting officer (its Senior Vice President and Controller)) and directors and is posted on the Company's website at <http://ir.iac.com/corporate-governance-document.cfm?DocumentID=11372>. This code of ethics complies with Item 406 of SEC Regulation S-K and the rules of The Nasdaq Stock Market LLC. Any changes to the code of ethics that affect the provisions required by Item 406 of Regulation S-K, and any waivers of such provisions of the code of ethics for IAC's executive officers, senior financial officers or directors, will also be disclosed on IAC's website.

Item 1A. Risk Factors

Cautionary Statement Regarding Forward-Looking Information

This annual report on Form 10-K contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as "anticipates," "estimates," "expects," "plans" and "believes," among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to: IAC's future financial performance, IAC's business prospects and strategy, anticipated trends and prospects in the industries in which IAC's businesses operate and other similar matters. These forward-looking statements are based on IAC management's expectations and assumptions about future events as of the date of this annual report, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict.

Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, among others, the risk factors set forth below. Other unknown or unpredictable factors that could also adversely affect IAC's 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 annual 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 IAC management as of the date of this annual report. IAC does not undertake to update these forward-looking statements.

Risk Factors

Mr. Diller and certain members of his family collectively have sole voting and/or investment power over a significant percentage of the voting power of our stock. As a result, Mr. Diller and his family are able to exercise significant influence over the composition of our Board of Directors, matters subject to stockholder approval and our operations.

As of January 29, 2016, Mr. Diller owned 5,789,499 shares of IAC Class B common stock and 136,711 shares of IAC common stock. As of this date, Mr. Diller had sole voting and sole investment power with respect to these IAC securities and the shares of IAC Class B common stock held by Mr. Diller represented 100% of IAC's outstanding Class B common stock and, together with the shares of IAC common stock held by Mr. Diller, represented approximately 42.9% of the total outstanding voting power of IAC. Mr. Diller also holds 300,000 vested options and 1,000,000 unvested options to purchase IAC common stock.

As discussed in "Item 1-Business-Equity Ownership and Vote," on February 22, 2016, in connection with the long-term estate planning of Mr. Diller and his family, Mr. Diller transferred all of his IAC Class B and common stock holdings to the 2016 GRATs and the 2016 Family Trust. Each of Mr. Diller and Ms. von Furstenberg has sole voting and investment power, respectively, over the IAC securities in the 2016 GRATs, and Mr. von Furstenberg has sole voting and sole investment power over the IAC securities in the Family Trust.

In addition, pursuant to an amended and restated governance agreement between IAC and Mr. Diller, for so long as Mr. Diller serves as IAC's Chairman and Senior Executive and he beneficially owns (within the meaning of Rule 13d-3 of the Securities Exchange Act of 1934) at least 5,000,000 shares of IAC Class B common stock and/or IAC common stock in which he has a pecuniary interest (including by way of sole investment power over the IAC securities in the 2016 GRATs), he generally has the right to consent to limited matters in the event that IAC's ratio of total debt to EBITDA (as defined in the governance agreement) equals or exceeds four to one over a continuous twelve-month period. While Mr. Diller may not currently exercise this right, no assurances can be given that this right will not become exercisable in the future, and if so, that Mr. Diller will consent to any of the limited matters at such time, in which case IAC would not be able to engage in transactions or take actions covered by this consent right.

As a result of Mr. Diller's sole investment power over the IAC securities in the 2016 GRATs, Ms. von Furstenberg's sole voting power over the IAC securities in the 2016 GRATs, Mr. von Furstenberg's sole voting and sole investment power over the IAC securities in the 2016 Family Trust and Mr. Diller's contractual rights described above, Mr. Diller and his family are, collectively, currently in a position to influence, subject to our organizational documents and Delaware law, the composition of IAC's Board of Directors and the outcome of corporate actions requiring stockholder approval, such as mergers, business combinations and dispositions of assets, among other corporate transactions. In addition, this concentration of investment and voting power could discourage others from initiating a potential merger, takeover or other change of control transaction that may otherwise be beneficial to IAC, which could adversely affect the market price of IAC securities.

We depend on our key personnel.

Our future success will depend upon our continued ability to identify, hire, develop, motivate and retain highly skilled individuals, with the continued contributions of our senior management being especially critical to our success. Competition for well-qualified employees across IAC and its various businesses is intense and our continued ability to compete effectively depends, in part, upon our ability to attract new employees. While we have established programs to attract new employees and provide incentives to retain existing employees, particularly our senior management, we cannot assure you that we will be able to attract new employees or retain the services of our senior management or any other key employees in the future. Effective succession planning is also important to our future success. If we fail to ensure the effective transfer of senior management knowledge and smooth transitions involving senior management across our various businesses, our ability to execute short and long term strategic, financial and operating goals, as well as our business, financial condition and results of operations generally, could be adversely affected.

We depend upon arrangements with Google and any adverse change in this relationship could adversely affect our business, financial condition and results of operations.

A substantial portion of our consolidated revenue is attributable to a services agreement with Google. Pursuant to this agreement, we display and syndicate paid listings provided by Google in response to search queries generated by users of our Publishing and Applications properties. In exchange for making our search traffic available to Google, we receive a share of the revenue generated by the paid listings supplied to us, as well as certain other search-related services. Our current agreement with Google expires on March 31, 2016. Following the expiration of this agreement, a new services agreement with Google, which expires on March 31, 2020, will take effect. The Company may choose to terminate this agreement effective March 31, 2019.

The amount of revenue we receive from Google depends upon a number of factors outside of our control, including the amount Google charges for advertisements, the efficiency of Google's system in attracting advertisers and serving up paid listings in response to search queries and parameters established by Google regarding the number and placement of paid listings displayed in response to search queries. In addition, Google makes judgments about the relative attractiveness (to advertisers) of clicks on paid listings from searches performed on our Publishing and Applications properties and these judgments factor into the amount of revenue we receive. Google also makes judgments about the relative attractiveness (to users) of paid listings from searches and these judgments factor into the amount of advertisements we can purchase. Changes to the amount Google charges to advertisers, Google's paid listings network efficiency, its judgment about the relative attractiveness to advertisers of clicks on paid listings from our Publishing and Applications properties or the parameters applicable to the display of paid listings could result in a decrease in the amount of revenue we receive and could have an adverse effect on our business, financial condition and results of operations. Such changes could come about for a number of reasons, including general market conditions, competition or policy and operating decisions made by Google.

Our services agreement with Google also requires that we comply with certain guidelines promulgated by Google for the use of its brands and services, including with respect to which products and applications may access Google's services, and the manner in which Google's paid listings are displayed within search results across various platforms and products. Our services agreement also requires that we establish guidelines to govern certain activities of third parties to whom we syndicate paid listings, including the manner in which these parties drive search traffic to their websites and display paid listings. Google may generally unilaterally update its own policies and guidelines without advance notice, which could in turn require modifications to, or prohibit and/or render obsolete certain of, our products, services and/or business practices, which could be costly to address or otherwise have an adverse effect on our business, financial condition and results of operations. Noncompliance with Google's guidelines by us or the third parties to whom we are permitted to syndicate paid listings or through which we secure distribution arrangements for our applications could, if not cured, result in Google's suspension of some or all of its services to our websites or the websites of our third party partners or the termination of the services agreement by Google.

The termination of the services agreement by Google, the curtailment of IAC's rights under the agreement (whether pursuant to the terms thereof or otherwise) or the failure of Google to perform its obligations under the agreement would have an adverse effect on our business, financial condition and results of operations. If any of these events were to occur, we may not be able to find another suitable alternate paid listings provider (or if an alternate provider were found, the economic and other terms of the agreement and the quality of paid listings may be inferior relative to our arrangements with, and the paid listings supplied by, Google) or otherwise replace the lost revenues.

General economic events or trends, particularly those that reduce advertising spending and/or adversely impact consumer confidence, could harm our business, financial condition and results of operations.

A substantial portion of our consolidated revenue (primarily revenue from our Publishing and Applications segments) is attributable to online advertising. Accordingly, we are particularly sensitive to events and trends that could result in decreased advertising expenditures. Advertising expenditures have historically been cyclical in nature, reflecting overall economic conditions and budgeting and buying patterns, as well as levels of consumer confidence and discretionary spending.

Similarly, some of our businesses (primarily HomeAdvisor) are particularly sensitive to events and trends that adversely impact consumer confidence and spending behavior. For example, in the event of a general economic downturn or sudden disruption in business conditions, consumer confidence, spending levels and credit availability could be adversely affected. The occurrence of any of these events or trends could result in consumers delaying or foregoing home services projects, which could result in a decrease in fees paid by home service professionals for consumer matches, which could adversely affect our business, financial condition and results of operations. We could also experience turnover in our network of home services professionals given that a significant number of our home services professionals are sole proprietorships and small businesses, and as such, are particularly sensitive to events and trends that adversely impact consumer confidence and spending behavior. Any turnover, if significant or recurring over a prolonged period, could result in a decrease in traffic to our properties and increased costs, all of which could adversely affect our business, financial condition and results of operations.

In the recent past, adverse economic conditions have caused, and if such conditions were to recur in the future they could cause, decreases and/or delays in advertising expenditures and discretionary spending by consumers, which would reduce our revenues and adversely affect our business, financial condition and results of operations.

Our success depends upon the continued growth and acceptance of online advertising, particularly paid listings, as an effective alternative to traditional, offline advertising and the continued commercial use of the Internet.

We continue to compete with traditional advertising media, including television, radio and print, in addition to a multitude of websites with high levels of traffic and online advertising networks, for a share of available advertising expenditures and expect to face continued competition as more emerging media and traditional offline media companies continue to enter the online advertising market. We believe that the continued growth and acceptance of online advertising generally will depend, to a large extent, on its perceived effectiveness and the acceptance of related advertising models (particularly in the case of mobile

advertising), the continued growth in commercial use of the Internet (particularly abroad), the extent to which web browsers, software programs and/or other applications that limit or prevent advertising from being displayed become commonplace and the extent to which the industry is able to effectively manage click fraud. Any lack of growth in the market for online advertising, particularly for paid listings, or any decrease in the effectiveness and value of online advertising (whether due to changes in laws, changes in industry practices, the emergence of technologies that can block the display of advertisements across platforms or other developments) would have an adverse effect on our business, financial condition and results of operations.

We depend, in part, upon third parties to drive traffic to our various properties and distribute our products and services.

Our success depends, in part, upon third parties driving traffic to our various properties (desktop and mobile) and distributing our products and services.

We distribute our products and services through a variety of third party publishers and distribution channels. For example, certain of the businesses within our Publishing and Applications segments have entered into (and expect to continue to enter into) agreements to distribute search boxes, toolbars, browser extensions and other applications to users through third parties. Most of these agreements are either non-exclusive and short-term in nature or, in the case of long-term or exclusive agreements, are terminable by either party in certain specified circumstances. In addition, a few of these agreements collectively represent a significant percentage of the revenue generated by our Partnerships business. The inability of these businesses to enter into new (or renew existing) agreements to distribute search boxes, toolbars, browser extensions and other applications through third parties for any reason would result in decreases in traffic to our various properties, queries and advertising revenue, which could have an adverse effect on our business, financial condition and results of operations.

In addition, as our users and customers increasingly access our products and services through mobile applications, we (primarily in the case of Match Group's dating business and Apalon, one of the businesses within our Applications segment) increasingly depend upon the Apple App Store and the Google Play Store to distribute our mobile applications. Both Apple and Google have broad discretion to change their respective terms and conditions applicable to the distribution of our mobile applications, and to interpret their respective terms and conditions in ways that may limit, eliminate or otherwise interfere with our ability to distribute our mobile applications through their stores. We cannot assure you that Apple or Google will not limit or eliminate or otherwise interfere with the distribution of our mobile applications. If either or both of them did so, our business, financial condition and results of operations could be adversely affected.

In connection with our search engine optimization, or SEO, efforts, we rely on third party search engines to drive traffic to our various properties (desktop and mobile). SEO efforts involve developing websites to rank well within search engine results. Search engines frequently update and change the logic that determines the placement and display of search results. If we fail to successfully manage SEO efforts across our businesses, including the timely modification of SEO efforts from time to time in response to periodic changes in search engine algorithms, search query trends and related actions by providers of search services designed to ensure the display of unique offerings in search results (which actions by search service providers may result in algorithmic listings being displayed less prominently within search engine results), could result in a substantial decrease in traffic to our various properties, as well as increased costs if we were to replace free traffic with paid traffic, which would adversely affect our business, financial condition and results of operations. Certain of our businesses engage in similar efforts involving Facebook and other social media platforms (for example, developing content designed to appear higher in a given Facebook News Feed and generate "likes") that involve challenges and risks similar to those faced in connection with our SEO efforts.

Also, search engines continue to expand their offerings into other, non-search related categories, and in certain instances display their own integrated or related product and service offerings in a more prominent manner than those of third parties within their search results. Continued expansion and competition from search engines could result in a substantial decrease in traffic to our various properties, as well as increased costs if we were to replace free traffic with paid traffic, which would adversely affect our business, financial condition and results of operations.

Lastly, we rely on Facebook to distribute one of Match Group's dating products, Tinder. Users currently register for (and log in to) Tinder exclusively through their Facebook profiles. Facebook has broad discretion to change its terms and conditions applicable to the use of its platform in this manner and to interpret its terms and conditions in ways that could limit, eliminate or otherwise interfere with our ability to use Facebook in this manner and if Facebook did so, Match Group's (and in turn, our) business, financial condition and results of operations could be adversely affected.

As discussed below under "-Marketing efforts designed to drive traffic to our various websites may not be successful or cost-effective" and "-Communicating with our users via e-mail is critical to our success, and any erosion in our ability to communicate in this fashion that is not sufficiently replaced by other means could adversely affect our business, financial condition and results of operations," our traffic building initiatives also involve the expenditure of considerable sums for marketing, as well as for the development and introduction of new content, products, services and enhancements, infrastructure

and other related efforts, and are dependent, in part, on our ability to effectively communicate with our users and customers via current and new means of communication.

Our success depends, in part, on our ability to continue to introduce new and enhanced content, products and services in response to evolving trends and technologies and that otherwise resonate with our users and customers.

Even if we succeed in our traffic building and distribution efforts, we may not be able to convert traffic into repeat users and customers unless we continue to introduce new and enhanced content, products and services in response to evolving trends and technologies and provide quality products and services that otherwise resonate with our users and customers.

The development of new content, products and services, as well as the identification of new business opportunities in this dynamic environment, require significant time and resources. We may not be able to adapt quickly enough to these changes, appropriately time the introduction of new content, products and services or identify new business opportunities in a timely manner. Also, these changes could require us to modify related infrastructures and our failure to do so could render our existing websites, applications, services and proprietary technologies obsolete. Our failure to respond to any of these changes appropriately and efficiently could adversely affect our business, financial condition and results of operations.

In the case of certain of our applications, third parties have introduced (and continue to introduce) technologies and policies that may interfere with the ability of users to access or utilize our applications generally or otherwise make users less likely to use our services (such as through the introduction of features and/or processes that disproportionately and adversely impact the ability of consumers to access and use our services relative to those of our competitors). For example, third parties continue to introduce technologies (including new and enhanced web browsers and operating systems) that may limit or prevent certain types of applications from being installed and/or have features and policies that significantly lessen the likelihood that users will install our applications or that previously installed applications will remain in active use. In addition, there are technologies that interfere with the functionality of (or settings changes made by) our applications. For example, there are technologies that interfere with search boxes embedded within our toolbars and the maintenance of home page and web browser search settings previously selected by our users. These technologies, applications and policies adversely impact our ability to generate search queries through our applications, which in turn adversely impacts our revenues.

Technologies have also been introduced that can block the display of online advertisements across platforms (particularly and increasingly in the case with mobile platforms) and that provide users with the ability to opt out of advertising products. Our failure to successfully modify our websites and products in a cost-effective manner in response to the introduction and adoption of these new technologies, or our failure to find alternative sources of revenue to support websites and products that currently generate revenue through advertising, could adversely affect our business, financial condition and results of operations.

In addition, we may not be able to adapt quickly and/or in a cost-effective manner to frequent changes in user and customer preferences, which can be difficult to predict, or appropriately time the introduction of enhancements and/or new content, products or services to the market in response to such changes. Our inability to provide quality content, products and services would adversely affect user and customer experiences, which would result in decreases in users, customers and revenues and could adversely affect our business, financial condition and results of operations. For example, in the case of *About.com*, we rely on independent, freelance subject matter experts to generate quality content for our users. If we fail to recruit and retain such experts generally and/or the experts ultimately retained cannot provide us with quality content in a cost-effective manner, the experience of our users would be adversely affected, which could adversely affect our business, financial condition and results of operations.

Lastly, while the continued introduction of new content, products and services is critical to our success, by definition, new content, products and services have limited operating histories, which could make it difficult for us to evaluate our current business and future prospects. For example, through Match Group, we seek to tailor each of our dating products to meet the preferences of specific communities of users. Building a given dating product is generally an iterative process that occurs over a meaningful period of time and involves considerable resources and expenditures. Although certain of our newer dating products have experienced significant growth over relatively short periods of time, the historical growth rates of these dating products are not necessarily an indicator of future growth rates for our newer dating products generally. We have encountered, and may continue to encounter, risks and difficulties as we build new content, brands and products. The failure to successfully address these risks and difficulties could adversely affect our business, financial condition and results of operations.

Marketing efforts designed to drive traffic to our various websites may not be successful or cost-effective.

Traffic building and conversion initiatives involve considerable expenditures for online and offline advertising and marketing. We have made, and expect to continue to make, significant expenditures for search engine marketing (primarily in the form of the purchase of keywords, which we purchase primarily through Google and, to a lesser extent, Microsoft and Yahoo!), online display advertising and traditional offline advertising (including television) in connection with these initiatives,

which may not be successful or cost-effective. Historically, we have had to increase advertising and marketing expenditures over time in order to attract and retain users and customers and sustain our growth.

In the case of paid advertising generally, our ability to market our brands on any given property or channel is subject to the policies of the relevant third party seller, publisher of advertising (including through search engines and social networks and platforms) or marketing affiliate. As a result, any such third party could limit our ability to purchase certain types of advertising or advertise some of our products and services, which could affect our ability to compete effectively and, in turn, adversely affect our business, financial condition and results of operations. For example, providers of online search advertising services (including Google, Microsoft and Yahoo!) may limit our ability to market our products and services through their advertising services, whether due to their policies, competitive reasons or otherwise. Other publishers and channels have, from time to time, limited or prohibited advertisements for Match Group's dating products for a variety of reasons, including as a result of poor behavior by other dating industry participants. We cannot assure you that we will not be limited or prohibited from using certain current or prospective marketing channels in the case of our dating or any of our other businesses in the future. If this were to happen in the case of a significant marketing channel and/or for a significant period of time, our business, financial condition and results of operations could be adversely affected. In addition, if we fail to comply with the policies of third party sellers, publishers of advertising or marketing affiliates, our advertisements could be removed without notice and/or our accounts could be suspended or terminated, any of which could have an adverse effect on our business, financial condition and results of operations.

In the case of our search engine marketing efforts, our failure to respond successfully to rapid and frequent changes in the pricing and operating dynamics of search engines, as well as changing policies and guidelines applicable to keyword advertising (which may be unilaterally updated by Google, Microsoft and Yahoo! without advance notice), could adversely affect both the placement of paid listings that appear in response to keywords we purchase and the pricing of online advertising we purchase generally, which would increase our costs and adversely impact the effectiveness of our advertising efforts overall.

Separately, evolving consumer behavior can affect the availability of cost-effective marketing opportunities. For example, as traditional television viewership declines and consumers spend more time on mobile devices rather than desktop computers, the reach of many of traditional online and offline advertising channels is contracting. To continue to reach potential users and customers, we must continue to identify and devote more of our overall marketing expenditures to newer advertising channels, such as mobile and online video platforms. Generally, the opportunities in (and sophistication of) newer advertising channels are undeveloped and unproven relative to opportunities in traditional online and offline channels and if we are unable to continue to appropriately manage and fine-tune our marketing efforts in response to these and other trends in the advertising industry, our business, financial condition and results of operations could be adversely affected.

In addition, as the distribution of our products and services through certain channels increases, in order to maintain our profit margins, we may need to offset increasing related fees by decreasing traditional marketing expenditures, which could adversely affect our marketing efforts, and in turn, our business, financial condition and results of operations. As discussed above, as our user and customers increasingly access our products and services through mobile applications, we (primarily Match Group's dating business) increasingly rely upon the Apple App Store and the Google Play Store to distribute our mobile applications. For example, while our mobile dating applications are generally free to download from these stores, we offer our users the opportunity to purchase paid memberships and certain à la carte features through these applications. We determine the prices at which these memberships and features are sold and, in exchange for facilitating the purchase of these memberships and features through these applications to users who download our applications from these stores, we pay Apple and Google, as applicable, a share (currently 30%) of the revenue we receive from these transactions. As the distribution of our dating and other products and services through app stores increases, we may need to offset these increased app store fees by decreasing traditional marketing expenditures as a percentage of revenue, increasing user volume or monetization per user, or by engaging in other efforts to increase revenue or decrease costs generally, or our business, financial condition and results of operations could be adversely affected.

Lastly, as discussed above, we also enter into various arrangements with third parties in an effort to drive traffic to our various websites and mobile applications, which arrangements are generally more cost-effective than traditional marketing efforts. If we are unable to renew existing (and enter into new) arrangements of this nature, sales and marketing costs as a percentage of revenue would increase over the long-term.

Any failure to attract and acquire new (and retain existing) traffic, users and customers in a cost-effective manner could adversely affect our business, financial condition and results of operations.

Communicating with our users via e-mail is critical to our success, and any erosion in our ability to communicate in this fashion that is not sufficiently replaced by other means could adversely affect our business, financial condition and results of operations.

As consumer habits evolve in the era of smart phones and messaging/social networking apps, usage of e-mail, particularly among our younger users and customers, has declined. In addition, deliverability restrictions imposed by third party e-mail providers could limit or prevent our ability to send e-mails to our users and customers. Primarily in the case of Match Group's dating business, one of our primary means of communicating with users and customers and keeping them engaged with our products and services is via e-mail. Any erosion in our ability to communicate successfully with our users and customers via e-mail could have an adverse impact on user and customer experience and, in the case of Match Group's dating businesses, the rate at which non-paying users become paid members. While we continually work to find new means of communicating and connecting with our users and customers (for example, through push notifications), we cannot assure you that such alternative means of communication will be as effective as e-mail has been historically. Any failure to develop or take advantage of new means of communication could have an adverse effect on our business, financial condition and results of operations.

Our success depends, in part, on our ability to build, maintain and/or enhance our various brands.

Through our various businesses, we own and operate a number of highly-recognizable brands with strong brand appeal within their respective industries, as well as a number of fledgling brands that we are in the process of building. We believe that our success depends, in part, upon our continuing ability to maintain and enhance our established brands, as well as build awareness of (and loyalty to) our fledgling brands. Our brands and brand-building efforts could be negatively impacted by a number of factors, including product and service quality concerns, consumer complaints, actions brought by consumers, governmental or regulatory authorities and related media coverage and data protection and security breaches. Moreover, the failure to market our products and services successfully (or in a cost-effective manner), the inability to develop and introduce products and services that resonate with consumers and/or the inability to adapt quickly enough (and/or in a cost effective manner) to evolving changes in the Internet and related technologies, applications and devices, could adversely impact our various brands and brand-building efforts, and in turn, our business, financial condition and results of operations.

Foreign currency exchange rate fluctuations could adversely affect our results of operations.

We operate in various international markets, primarily in various jurisdictions within the European Union. During the fiscal years ended December 31, 2014 and 2015, approximately 31% and 26% of our total revenue, respectively, were international revenue. Our primary exposure to foreign currency exchange risk relates to investments in foreign subsidiaries that transact business in a functional currency other than the U.S. dollar, primarily the Euro.

As foreign currency exchange rates fluctuate, the translation of our international results into U.S. dollars affects the period-over-period comparability of our U.S dollar-denominated operating results. Historically, we have not hedged any foreign currency exposures. Our international operations' continued growth and expansion into new countries increases our exposure to foreign exchange rate fluctuations. These fluctuations could have a significant impact on our future results of operations.

Our success depends, in part, on our ability to develop and monetize mobile versions of our products and services.

Our success depends, in part, on our ability to develop and monetize mobile versions of our products and services. While many of our users continue to access our products and services through personal computers, users of (and usage volumes on) mobile devices, including smartphones and tablets, continue to increase relative to those of personal computers. While we have developed mobile versions of certain of our products and services (and have developed certain products and services exclusively for mobile devices) and intend to continue to do so in the future, we may not be able to monetize these applications as effectively as we monetize our non-mobile products and services.

In addition, the success of our mobile applications is dependent on their interoperability with various mobile operating systems, technologies, networks and standards that we do not control and any changes in any of these things that compromise the quality or functionality of our products and services could adversely impact usage of our products and services on mobile devices and, in turn, our ability to attract advertisers. Our failure or inability to successfully respond to the general shift of users and customers to mobile devices could adversely affect our business, financial condition and results of operations.

Each of our dating products monetizes users at different rates. If a meaningful migration of our user base from our higher monetizing dating products to our lower monetizing dating products were to occur, it could adversely affect our business, financial condition and results of operations.

Through Match Group, we own, operate and manage a large and diverse portfolio of dating products. Each dating product has its own mix of free and paid features designed to optimize the user experience for, and revenue generation from, that product's community of users. In general, the mix of features for the various dating products within our more established brands leads to higher monetization rates per user than the mix of features for the various dating products within our newer brands. If a significant portion of our user base were to migrate to our less profitable brands, our business, financial condition and results of operations could be adversely affected.

Our success depends, in part, on the integrity and quality of our systems and infrastructures and those of third parties. System interruptions and the lack of integration and redundancy in our and third party information systems may affect our business.

To succeed, our systems and infrastructures must perform well on a consistent basis. From time to time, we may experience occasional system interruptions that make some or all of our systems or data unavailable or that prevent us from providing products and services; any such interruption could arise for any number of reasons. Furthermore, fire, power loss, telecommunications failure, natural disasters, acts of war or terrorism, acts of God and other similar events or disruptions may damage or interrupt computer, data, broadband or other communications systems at any time. Any event of this nature could cause system interruptions, delays and loss of critical data, and could prevent us from providing services to users and customers. While we have backup systems in place for certain aspects of our operations, our 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. Any such interruptions or outages, regardless of the cause, could negatively impact the experiences of our users and customers with our products and services, tarnish our brands' reputation and decrease demand for our products and services, any or all of which could adversely affect our business, financial condition and results of operations.

We also continually work to expand and enhance the efficiency and scalability of our technology and network systems to improve the experiences of our users and customers, accommodate substantial increases in the volume of traffic to our properties and to keep up with changes in technology and user and customer preferences. Any failure to do so in a timely and cost-effective manner could adversely affect the experiences of our users and customers with our products and services and thereby negatively impact demand for our products and services, and could increase our costs, any of which could adversely affect our business, financial condition and results of operations.

For example, we are currently in the process of an ongoing consolidation and streamlining of the technology and network systems and infrastructures of a number of our dating businesses, including Match, OurTime and Meetic. The goal of this project is to modernize, optimize and improve the scalability and cost-effectiveness of these systems and infrastructures and to increase our ability to deploy product changes more rapidly across devices and product lines. We have budgeted significant human and financial resources for these efforts and if we experience delays, inefficiencies and/or operational failures, we will incur additional costs, which would adversely affect our profitability. Moreover, these efforts may not be successful, may not be completed in a timely or cost-effective manner, may not result in the cost savings or other benefits we anticipate and may disrupt operations, any or all of which could adversely affect our business, financial condition and results of operations.

We also rely on third party computer systems, data centers, broadband and other communications systems and service providers in connection with the provision of our products and services generally, as well as to facilitate and process certain transactions with our users and customers. We have no control over any of these third parties or their operations.

Any interruptions, outages or delays in our systems or those of our third party providers, changes in service levels provided by these systems or deterioration in the performance of these systems, could impair our ability to provide our products and services and/or process certain transactions with users and customers. If any of these events were to occur, it could damage our reputation and result in the loss of current and potential users and customers, which could have an adverse effect on our business, financial condition and results of operations and otherwise be costly to remedy.

We may not be able to protect our systems, infrastructures and technologies from cyber attacks. In addition, we may be adversely impacted by cyber attacks experienced by third parties. Any disruption of our systems, infrastructures and technologies, or compromise of our user data or other information, due to cyber attacks could have an adverse effect on our business, financial condition and results of operations.

We are regularly under attack by perpetrators of malicious technology-related events, such as cyber attacks, computer hacking, computer viruses, worms or other destructive or disruptive software, distributed denial of service attacks, attempts to misappropriate customer information (including credit card information) or other malicious activities. The incidence of events of this nature (or any combination thereof) is on the rise worldwide.

While we continuously develop and maintain systems to detect and prevent events of this nature from impacting our various businesses, and have invested heavily in these efforts and related training, these efforts are costly and require ongoing monitoring and updating as technologies change and efforts to overcome preventative security measures become more sophisticated. Despite our efforts, we cannot assure you that we will not experience significant events of this nature in the future and if such an event does occur, that it will not have an adverse effect on our business, financial condition and results of operations.

Furthermore, we may become the victim of security breaches, such as the misappropriation, misuse, leakage, falsification or accidental release or loss of user, customer or vendor data maintained in our information technology systems or those of third parties with whom we do business (or upon whom we otherwise rely in connection with our day to day operations), which could have a similar effect on us.

Any cyber attack or security breach we experience could prevent us from providing our products and services, damage our reputation, erode our brands and/or be costly to remedy, as well as result in a degradation of our products and services and/or cause damage to our systems, infrastructures, technologies and data. Even if we do not experience such events, the impact of any such events experienced by third parties with whom we do business (or upon whom we otherwise rely in connection with our day to day operations) could have a similar effect. Moreover, even cyber attacks and security breaches that do not impact us directly may result in a loss of consumer confidence generally, which could make consumers and users less likely to use our products and services.

In addition, we may not have adequate insurance coverage to compensate for losses resulting from any of these events.

If the security of personal and confidential user information, including credit card information, that we maintain and store is breached or otherwise accessed by unauthorized persons, it may be costly to mitigate the impact of such an event, our reputation could be harmed and our business, financial condition and results of operations could be adversely affected.

We receive, process, store and transmit a significant amount of personal user and other confidential information, including credit card information, and enable our users to share their personal information with each other. In some cases, we retain third party vendors to store this information. We continuously develop and maintain systems to protect the security, integrity and confidentiality of this information, but cannot guarantee that inadvertent or unauthorized use or disclosure will not occur or that third parties will not gain unauthorized access to this information despite our efforts. If any such event were to occur, we may not be able to remedy the event, and we may have to expend significant capital and resources to mitigate the impact of such an event, and to develop and implement protections to prevent future events of this nature from occurring. If a breach of our security (or the security of our vendors and partners) occurs, the perception of the effectiveness of our security measures and our reputation may be harmed, we could lose current and potential users and the recognition of our various brands and their competitive positions could be diminished, any or all of which could adversely affect our business, financial condition and results of operations.

We are subject to a number of risks related to credit card payments, including data security breaches and fraud that we or third parties experience or additional regulation, any of which could adversely affect our business, financial condition and results of operations.

Our businesses accept payment from our users primarily through credit card transactions and certain online payment service providers. The ability of these businesses to access credit card information on a real time-basis without having to proactively reach out to the consumer each time they process a payment for products and services (including auto-renewal payments or payments for the purchase of a premium feature on or with any of our products or services) is critical to our success.

When we experience (or a third party experiences) a data security breach involving credit card information, affected cardholders will often cancel their credit cards. In the case of a breach experienced by a third party, the more sizable the third party's customer base and the greater the number of credit card accounts impacted, the more likely it is that our users would be impacted by such a breach. To the extent our users are ever affected by such a breach experienced by us or a third party, affected users would need to be contacted to obtain new credit card information and process any pending transactions. It is likely that we would not be able to reach all affected users, and even if we could, some users' new credit card information may

not be obtained and some pending transactions may not be processed, which could adversely affect our business, financial condition and results of operations.

Even if our users are not directly impacted by a given data security breach, they may lose confidence in the ability of service providers to protect their personal information generally, which could cause them to stop using their credit cards online and choose alternative payment methods that are not as convenient for us or restrict our ability to process payments without significant user effort.

Additionally, if we fail to adequately prevent fraudulent credit card transactions, we may face fines, governmental enforcement action, civil liability, diminished public perception of our security measures, significantly higher credit card-related costs and substantial remediation costs, any of which could adversely affect our business, financial condition and results of operations.

Finally, the passage or adoption of any legislation or regulation affecting the ability of service providers to periodically charge consumers for recurring membership payments may adversely affect our business, financial condition and results of operations.

The 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.

We receive, transmit and store a large volume of personal information and other user data (including personal credit card data, as well as private content (such as videos and correspondence)) in connection with the processing of search queries, the provision of online products and services, transactions with users and customers and advertising on our websites. The sharing, use, disclosure and protection of this information are determined by the respective privacy and data security policies of our various businesses. These policies are, in turn, subject to federal, state and foreign laws and regulations, as well as evolving industry standards and practices, regarding privacy generally and the storing, sharing, use, disclosure and protection of personal information and user data. Examples include the European Union Data Protection Directive (as adopted and implemented by the various European Union member states, the "EU Directive"), various U.S. state regulations concerning minimum data security standards, industry self-regulating principles that have become standard practice and more stringent contractual protections (and related compliance obligations) regarding privacy and data security.

In addition, if an online service provider fails to comply with its privacy policy, it could become subject to an investigation and/or proceeding for unfair or deceptive practices brought by the U.S. Federal Trade Commission under the Federal Trade Commission Act (and/or brought by a state attorney general pursuant to a similar state law), as well as a private lawsuit under various U.S. federal and state laws. Similarly, in the European Union, the online service provider could become subject to an investigation and/or proceeding for the violation of the data protection laws and regulations brought by a member state or its supervisory authority (an independent body charged with monitoring compliance with data protection laws), as well as private causes of action under the EU Directive. In general, personal information is increasingly subject to legislation and regulation in numerous jurisdictions around the world (particularly in the European Union), the intent of which is to protect the privacy of personal information that is collected, processed and transmitted in or from the governing jurisdiction.

U.S. and foreign legislators and regulators may enact new laws and regulations regarding privacy and data security. For example, in January 2016, the U.S. Federal Trade Commission released a report that further explored the use of "big data" and its impact on American consumers. This report followed the May 2014 White House release of a review of "big data" practices, which called for an update to U.S. privacy laws based on the proposed Consumer Privacy Bill of Rights released by the White House in February 2012 and the enactment of a federal data breach notification law. In addition, in February 2013 the U.S. Federal Trade Commission issued a report seeking changes in Internet and mobile privacy protection and disclosures. Similarly, new privacy laws and regulations at the state level, as well as new laws and directives abroad (particularly in the European Union), are being proposed and implemented. For example, effective January 1, 2016, the Delaware Online Privacy and Protection Act requires companies to make new and enhanced disclosures regarding their privacy policies and since 2014, California law has required companies that collect personal information to disclose how they respond to web browser "Do Not Track" signals.

The European Union is in the process of adopting new guidelines (the proposed European Data Protection Regulation) for data protection and privacy to address recent globalization and technological developments, which will supersede the EU Directive. In addition, in October 2015, the European Union's highest court ruled that the EU-US Safe Harbor Agreement, which had provided a framework for transfers of personal data from European Union member states to the United States, was invalid. In February 2016, the European Commission and the United States reached an agreement on a proposed new framework for transfers of personal data, the EU-US Privacy Shield. This proposed new framework is expected to impose a stricter compliance regime for companies seeking to transfer personal data from European Union member states to the United States and require stronger monitoring by U.S. regulators of the sharing, use, disclosure and protection of such data and related enforcement for non-compliance. It currently remains unclear how we and other U.S. companies should proceed when

transferring personal data from European Union member states to the United States given that the EU-US Privacy Shield is not yet final and faces hurdles to adoption and the European Commission did not provide any interim guidance.

In addition, existing privacy laws that were intended for brick-and-mortar businesses could be interpreted in a manner that would extend their reach to our businesses. New laws and regulations (or new interpretations of existing laws) in this area may make it more costly to operate our businesses and/or limit our ability to engage in certain types of activities, such as targeted advertising, which could adversely affect our business, financial condition and results of operations.

As privacy and data protection have become more sensitive issues, we may also become exposed to potential liabilities as a result of differing views on the privacy of consumer and other user data collected by our businesses. Also, we cannot guarantee that our security measures will prevent security breaches. In the case of security breaches involving personal credit card data, credit card companies could curtail our ability to transact payments and impose fines for failure to comply with Payment Card Industry (PCI) Data Security Standards. Moreover, any such breach could decrease consumer confidence in the case of the business that experienced the breach or our businesses generally, which would decrease traffic to (and in turn, usage and transactions on) the relevant website and/or our various websites and which in turn, could adversely affect our business, financial condition and results of operations. The failure of any of our businesses, or their various third party vendors and service providers, to comply with applicable privacy policies, federal, state or foreign privacy laws and regulations or PCI standards, as well as the unauthorized release of personal information or other user data for any reason, could adversely affect our business, financial condition and results of operations.

While we believe that we comply with applicable laws and regulations, as well as evolving industry standards and practices relating to privacy and data security, there is no assurance that we will not be subject to claims that we have violated applicable laws and regulations, standard and practices or that we will be able to successfully defend against such claims. Any failure or perceived failure by us (or the third parties with whom we have contracted to store such information) to comply with applicable privacy laws, privacy policies or privacy-related contractual obligations or any compromise of security that results in unauthorized access to personal information may result in governmental enforcement actions, significant fines, litigation, claims of breach of contract and indemnity by third parties and adverse publicity. In the case of such an event, our reputation may be harmed, we could lose current and potential users and the competitive positions of our various brands could be diminished, any or all of which could adversely affect our business, financial condition and results of operations.

We may not freely access the cash of Match Group and its subsidiaries.

The Company's potential sources of cash include our available cash balances, net cash from the operating activities of our subsidiaries, availability under IAC's revolving credit facility and proceeds from asset sales, including marketable securities. The ability of our operating subsidiaries to pay dividends or to make other payments or advances to us depends on their individual operating results and any statutory, regulatory or contractual restrictions to which they may be or may become subject. Agreements governing Match Group's indebtedness limit the payment of dividends or the making of distributions, loans or advances to stockholders, including IAC. In addition, because Match Group is a separate and distinct legal entity with public shareholders, it has no obligation to provide us with funds for payment obligations, whether by dividends, distributions, loans or other payments.

Our indebtedness may affect our ability to operate our business, which could have a material adverse effect on our financial condition and results of operations. We and our subsidiaries may incur additional indebtedness, including secured indebtedness.

As of December 31, 2015, we had total debt outstanding of approximately \$1.8 billion, including \$1.2 billion of total debt outstanding at Match Group (\$40 million of which matures in the current year). As of this date, we had borrowing availability of \$300 million, and Match Group had borrowing availability of \$500 million, under our respective revolving credit facilities. Neither Match Group nor any of its subsidiaries guarantee any indebtedness of IAC or are subject to any of the covenants related to such indebtedness. Similarly, neither IAC nor any of its subsidiaries (other than Match Group and its subsidiaries) guarantee any indebtedness of Match Group or are subject to any of the covenants related to such indebtedness.

Our indebtedness and Match Group's indebtedness could have important consequences, such as:

- limiting our respective abilities to obtain additional financing to fund working capital needs, acquisitions, capital expenditures or other debt service requirements or for other purposes;
- limiting our respective abilities to use operating cash flow in other areas of our respective businesses because we must dedicate a substantial portion of these funds to service debt;
- limiting our respective abilities to compete with other companies who are not as highly leveraged, as we may be less capable of responding to adverse economic and industry conditions;
- restricting us from making strategic acquisitions, developing properties or exploiting business opportunities;

- restricting the way in which we conduct business because of financial and operating covenants in the agreements governing our respective existing and future indebtedness;
- exposing us to potential events of default (if not cured or waived) under financial and operating covenants contained in our or our respective subsidiaries' debt instruments that could have a material adverse effect on our business, financial condition and operating results;
- increasing our vulnerability to a downturn in general economic conditions or in pricing of our products and services; and
- limiting our respective abilities to react to changing market conditions in the various industries in which we do business.

In addition to our respective debt service obligations, our and Match Group's operations require substantial investments on a continuing basis. Our ability or the ability of Match Group to make scheduled debt payments, to refinance obligations with respect to our indebtedness and to fund capital and non-capital expenditures necessary to maintain the condition of our respective operating assets and properties, as well as to provide capacity for the growth of our respective businesses, depends on our respective financial and operating performance, which, in turn, is subject to prevailing economic conditions and financial, business, competitive, legal and other factors.

Subject to certain restrictions in the agreements governing our and Match Group's indebtedness, we and our subsidiaries may incur significant additional indebtedness, including additional secured indebtedness. Although the terms of agreements governing our and Match Group's indebtedness contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and additional indebtedness incurred in compliance with these restrictions could be significant. If new debt is added to our or our subsidiaries' current debt levels, the risks described above could increase.

We may not be able to generate sufficient cash to service all of our current and planned indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness that may not be successful.

Our ability and the ability of Match Group to satisfy our respective debt obligations will depend upon, among other things:

- our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, many of which are beyond our control; and
- our future ability and the future ability of Match Group to borrow under our respective revolving credit agreements, the availability of which will depend on, among other things, compliance with the covenants in the then-existing agreements governing such indebtedness.

There can be no assurance that our business or Match Group will generate sufficient cash flow from operations, or that we or Match Group will be able to draw under our respective revolving credit agreements or otherwise, in an amount sufficient to fund our respective liquidity needs. See also "-We may not freely access the cash of Match Group and its subsidiaries" above.

If cash flows and capital resources are insufficient to service indebtedness, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In addition, the terms of existing or future debt agreements may restrict us from adopting some of these alternatives. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations, sell equity, and/or negotiate with our lenders to restructure the applicable debt, in order to meet our debt service and other obligations. We may not be able to consummate those dispositions for fair market value or at all. The agreements governing our and Match Group's indebtedness may restrict, or market or business conditions may limit, our ability to avail ourselves of some or all of these options. Furthermore, any proceeds that we could realize from any such dispositions may not be adequate to meet our debt service obligations then due.

Agreements governing our indebtedness contain restrictions that will limit our flexibility in operating our business.

The agreements governing our and Match Group's indebtedness contain, and any instruments governing future indebtedness would likely contain, a number of covenants that will impose significant operating and financial restrictions on us and Match Group, including restrictions on the ability to, among other things:

- create liens on certain assets;
- incur additional debt;
- make certain investments and acquisitions;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- sell certain assets;
- pay dividends on or make distributions in respect of our capital stock or make restricted payments;
- enter into certain transactions with our affiliates; and
- place restrictions on distributions from subsidiaries.

Any of these restrictions could limit our ability to plan for or react to market conditions and could otherwise restrict corporate activities. Any failure to comply with these covenants could result in a default under the agreements governing current or future indebtedness. Upon a default, unless waived, lenders under our respective credit agreements could elect to terminate their commitments, cease making further loans, foreclose on our assets pledged to such lenders to secure our indebtedness and force us into bankruptcy or liquidation. Holders of our or Match Group's senior notes also have the ability to force us into bankruptcy or liquidation in certain circumstances, subject to the terms of the related indentures. In addition, a default could trigger a cross default under our other agreements and could trigger a cross default under agreements governing our future indebtedness. Our operating results may not generate cash in an amount that would be sufficient to service our indebtedness or to fund our other expenditures and we may not be able to obtain financing to meet these requirements.

Variable rate indebtedness will subject us to interest rate risk, which could cause our debt service obligations to increase significantly.

At December 31, 2015, Match Group has \$800 million of indebtedness outstanding under its term loan facility, which bears interest at variable rates and currently bears interest at LIBOR plus 4.50%, with a LIBOR floor of 1.00%. LIBOR at December 31, 2015 for similar borrowings of three months was approximately 60 basis points. Changes in the interest rates applicable to this indebtedness will expose us to interest rate risk. For example, if LIBOR were to increase by 100 basis points then the annual interest payments on this indebtedness would increase by 60 basis points, or \$4.8 million in 2016. And if LIBOR decreased 60 basis points to zero, annual interest payments on this indebtedness would remain the same. Such potential changes in interest payments take into account quarterly amortization payments and are based on certain simplifying assumptions, including a constant rate of variable-rate debt for all maturities and an immediate across-the-board increase or decrease in the level of interest rates with no other subsequent changes for the remainder of the period. To the extent that we or Match Group draw down on our respective revolving credit facilities in the future, any related indebtedness incurred would bear interest at variable rates, which would increase our exposure to interest rate risk. See also "Item 7A-Quantitative and Qualitative Disclosures About Market Risk."

We may not be able to identify suitable acquisition candidates and even if we are able to do so, we may experience operational and financial risks in connection with acquisitions. In addition, some of the businesses we acquire may incur significant losses from operations or experience impairment of carrying value.

We have made numerous acquisitions in the past and we continue to seek to identify potential acquisition candidates that will allow us to apply our expertise to expand their capabilities, as well as maximize our existing assets. As a result, our future growth may depend, in part, on acquisitions. We may not be able to identify suitable acquisition candidates or complete acquisitions on satisfactory pricing or other terms and we expect to continue to experience competition in connection with our acquisition-related efforts.

Even if we identify what we believe to be suitable acquisition candidates and negotiate satisfactory terms, we may experience operational and financial risks in connection with acquisitions, and to the extent that we continue to grow through acquisitions, we will need to:

- properly value prospective acquisitions, especially those with limited operating histories;
- successfully integrate the operations, as well as the accounting, financial controls, management information, technology, human resources and other administrative systems, of acquired businesses with our existing operations and systems;
- successfully identify and realize potential synergies among acquired and existing businesses;
- retain or hire senior management and other key personnel at acquired businesses; and
- successfully manage acquisition-related strain on the management, operations and financial resources of IAC and its businesses and/or acquired businesses.

We may not be successful in addressing these challenges or any other problems encountered in connection with historical and future acquisitions. In addition, the anticipated benefits of one or more acquisitions may not be realized and future acquisitions could result in increased operating losses, potentially dilutive issuances of equity securities and the assumption of

contingent liabilities. Also, the value of goodwill and other intangible assets acquired could be impacted by one or more continuing unfavorable events and/or trends, which could result in significant impairment charges. The occurrence of any these events could have an adverse effect on our business, financial condition and results of operations.

We operate in various international markets, some in which we have limited experience. As a result, we face additional risks in connection with our international operations. Also, we may not be able to successfully expand into new, or further into our existing, international markets.

We currently operate in various jurisdictions abroad and may continue to expand our international presence. In order for our products and services in these jurisdictions to achieve widespread acceptance, commercial use and acceptance of the Internet must continue to grow, which growth may occur at slower rates than those experienced in the United States. Moreover, we must continue to successfully tailor our products and services to the unique customs and cultures of foreign jurisdictions, which can be difficult and costly and the failure to do so could slow our international growth and adversely impact our business, financial condition and results of operations.

Operating abroad, particularly in jurisdictions where we have limited experience, exposes us to additional risks. These additional risks include, among others:

- operational and compliance challenges caused by distance, language and cultural differences;
- difficulties in staffing and managing international operations;
- differing levels of social and technological acceptance of our products and services or lack of acceptance of them generally;
- foreign currency fluctuations;
- restrictions on the transfer of funds among countries and back to the United States and costs associated with repatriating funds to the United States;
- differing and potentially adverse tax laws;
- multiple, conflicting and changing laws, rules and regulations, and difficulties understanding and ensuring compliance with those laws by both our employees and our business partners, over whom we exert no control;
- competitive environments that favor local businesses;
- limitations on the level of intellectual property protection; and
- trade sanctions, political unrest, terrorism, war and epidemics or the threat of any of these events.

The occurrence of any or all of the events described above could adversely affect our international operations, which could in turn adversely affect our business, financial condition and results of operations. Our success in international markets will also depend, in part, on our ability to identify potential acquisition candidates, joint venture or other partners, and to enter into arrangements with these parties on favorable terms and successfully integrate their businesses and operations with our own.

A variety of new laws, or new interpretations of existing laws, could subject us to claims or otherwise harm our business.

We are subject to a variety of laws in the U.S. and abroad that are costly to comply with, can result in negative publicity and diversion of management time and effort, and can subject us to claims or other remedies. Some of these laws, such as income, sales, use, value-added and other tax laws and consumer protection laws, are applicable to businesses generally and others are unique to the various types of businesses in which we are engaged. Many of these laws were adopted prior to the advent of the Internet and related technologies and, as a result, do not contemplate or address the unique issues of the Internet and related technologies. Laws that do reference the Internet are being interpreted by the courts, but their applicability and scope remain uncertain.

For example, through our various businesses we post and link to third party content, including third party advertisements, links and websites. We also allow users to submit content, such as comments, photographs and videos. We could be subject to liability for posting, hosting or linking to third party content, and while we generally require third parties to indemnify us for related claims, we may not be able to enforce our indemnification rights. Some laws, including the Communications Decency Act, or CDA, and the Digital Millennium Copyright Act, or DMCA, limit our liability for posting or linking to third party content. For example, the DMCA generally protects online service providers from claims of copyright infringement based on the storage of third party content at the direction of the user, so long as certain statutory requirements are satisfied. However, the scope and applicability of the DMCA are subject to judicial interpretation and, as such, remain uncertain, and the U.S. Congress may enact legislation affecting (and potentially limiting) the protections afforded by the DMCA to online service providers. Moreover, similar protections may not exist in other jurisdictions in which our various businesses operate. As a result, claims have been, and could be, threatened and filed under both U.S. and foreign laws based upon use of third party content asserting, among other things, negligence, defamation, invasion of privacy or right or publicity, copyright infringement or trademark infringement.

Also, we send electronic messages to users through our various businesses, as well as develop, market and/or distribute a variety of downloadable applications through our Consumer and Partnerships businesses, which could subject us to liability for failing to comply with laws governing the sending of electronic messages to our users and the installation of downloadable applications. For example, Canada's Anti-Spam Legislation ("CASL"), which became effective on July 1, 2014, prohibits all commercial electronic messages (including e-mail, text, social media, sound and image messages) that are sent without proper consumer consent. And, effective January 15, 2015, the CASL restricts the unsolicited installation of computer programs and applications. While several Canadian regulators are jointly empowered to enforce and issue administrative and monetary penalties for CASL violations, effective July 1, 2017 individuals may also file private and class action lawsuits to collect statutory damages for CASL violations.

In addition, changing Internet business practices may attract increased legal and regulatory attention. One example of such changing practices is the increasing use of "native" advertising, a form of advertising in which sponsored content is presented in a manner that some may view as similar to traditional editorial content. The U.S. Federal Trade Commission has indicated that it will continue to monitor the use of online native advertising to ensure that it is presented in a manner that is not confusing or deceptive to consumers.

Lastly, one of the businesses within our Applications segment, SlimWare, operates a paid telephone technical support service, which it promotes, in part, through its software products. In the recent past and currently, the U.S. Federal Trade Commission and various state regulatory agencies and attorneys general have been aggressively enforcing laws governing telephonic sales in the computer support industry. While SlimWare has put a related compliance program in place with the third party vendor who provides paid telephone technical support services on its behalf to ensure compliance with applicable laws, no assurances can be given that this program will be effective.

Any failure on our part to comply with applicable laws may subject us to additional liabilities, which could adversely affect our business, financial condition and results of operations. In addition, if the laws to which we are currently subject are amended or interpreted adversely to our interests, or if new adverse laws are adopted, our products and services might need to be modified to comply with such laws, which would increase our costs and could result in decreased demand for our products and services to the extent that we pass on such costs to our customers. Specifically, in the case of tax laws, positions that we have taken or will take are subject to interpretation by the relevant taxing authorities. While we believe that the positions we have taken to date comply with applicable law, there can be no assurances that the relevant taxing authorities will not take a contrary position, and if so, that such positions will not adversely affect us. Any events of this nature could adversely affect our business, financial condition and results of operations.

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

We rely heavily upon our trademarks and related domain names and logos to market our brands and to build and maintain brand loyalty and recognition, as well as upon trade secrets. We also rely, to a lesser extent, upon patented and patent-pending proprietary technologies with expiration dates ranging from 2017 to 2034.

We rely on a combination of laws and contractual restrictions with employees, customers, suppliers, affiliates and others to establish and protect our various intellectual property rights. For example, we have generally registered and continue to apply to register and renew, or secure by contract where appropriate, trademarks and service marks as they are developed and used, and reserve, register and renew domain names as we deem appropriate. 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.

We also generally seek to apply for patents or for other similar statutory protections as and if we deem appropriate, based on then current facts and circumstances, and will continue to do so in the future. No assurances can be given that any patent application we have filed (or will file) will result in a patent being issued, or that any existing or future patents will afford adequate protection against competitors and similar technologies. In addition, no assurances can be given that third parties will not create new products or methods that achieve similar results without infringing upon patents we own.

Despite these measures, our intellectual property rights may still not be protected in a meaningful manner, challenges to contractual rights could arise or third parties could copy or otherwise obtain and use our intellectual property without authorization. The occurrence of any of these events could result in the erosion of our brands and limitations on our ability to control marketing on or through the Internet using our various domain names, as well as impede our ability to effectively compete against competitors with similar technologies, any of which could adversely affect our business, financial condition and results of operations.

From time to time, we have been subject to legal proceedings and claims in the ordinary course of business, including claims of alleged infringement of trademarks, copyrights, patents and other intellectual property rights held by third parties. In addition, litigation may be necessary in the future to enforce our intellectual property rights, protect our 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. Patent litigation tends to be particularly protracted and expensive.

Our estimated income taxes could be materially different from income taxes that we ultimately pay.

We are subject to income taxes in both the United States and numerous jurisdictions abroad. Significant judgment and estimation is required in determining our provision for income taxes and related matters. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determinations are uncertain or otherwise subject to interpretation. Our determination of our income tax liability is always subject to review by applicable tax authorities and we are currently subject to audits in a number of jurisdictions. Although we believe our income tax estimates and related determinations are reasonable and appropriate, relevant taxing authorities may disagree. The ultimate outcome of any such audits and reviews could be materially different from estimates and determinations reflected in our historical income tax provisions and accruals. Any adverse outcome of any such audit or review could have an adverse effect on our financial condition and results of operations.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

IAC believes that the facilities for its management and operations are generally adequate for its current and near-term future needs. IAC's facilities, most of which are leased by IAC's businesses in various cities and locations in the United States and various jurisdictions abroad, generally consist of executive and administrative offices, operations centers, data centers and sales offices.

All of IAC's leases are at prevailing market rates. IAC believes that the duration of each lease is adequate. IAC believes that its principal properties, whether owned or leased, are currently adequate for the purposes for which they are used and are suitably maintained for these purposes. IAC does not anticipate any future problems renewing or obtaining suitable leases for any of its principal businesses. IAC's approximately 202,500 square foot corporate headquarters in New York, New York houses offices for IAC corporate and various IAC businesses within the following segments: Match Group, Publishing, Applications and Video.

Item 3. Legal Proceedings

In the ordinary course of business, the Company and its subsidiaries are parties to litigation involving property, personal injury, contract, intellectual property and other claims. The amounts that may be recovered in such matters may be subject to insurance coverage.

Rules of the Securities and Exchange Commission require the description of material pending legal proceedings (other than ordinary, routine litigation incidental to the registrant's business) to which the registrant or any of its subsidiaries is a party or to which any of their property is subject and advise that proceedings ordinarily need not be described if they primarily involve claims for damages for amounts (exclusive of interest and costs) not exceeding 10% of the current assets of the registrant and its subsidiaries on a consolidated basis. In the judgment of Company management, none of the pending litigation matters which the Company and its subsidiaries are defending involves (or is likely to involve) amounts of that magnitude, nor do such matters involve issues or claims that may be of particular interest to the Company's shareholders.

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****Market for Registrant's Common Equity and Related Stockholder Matters**

IAC common stock is quoted on the Nasdaq Global Select Market ("NASDAQ") under the ticker symbol "IAC." There is no established public trading market for IAC Class B common stock. The table below sets forth, for the calendar periods indicated, the high and low sales prices per share for IAC common stock as reported on NASDAQ.

	High	Low
Year Ended December 31, 2015		
Fourth Quarter	\$ 73.15	\$ 58.30
Third Quarter	84.66	63.29
Second Quarter	82.40	66.63
First Quarter	70.10	59.11
Year Ended December 31, 2014		
Fourth Quarter	\$ 68.40	\$ 56.50
Third Quarter	73.93	63.00
Second Quarter	73.27	61.00
First Quarter	80.64	64.45

As of February 25, 2016, there were approximately 1,600 holders of record of the Company's common stock and the closing price of IAC common stock on NASDAQ was \$44.31. Because the substantial majority of the outstanding shares of IAC common stock are held by brokers and other institutions on behalf of shareholders, IAC is not able to estimate the total number of beneficial shareholders represented by these record holders. As of February 25, 2016, there were three holders of record of the Company's Class B common stock.

In 2014, IAC's Board of Directors declared four quarterly cash dividends, two of which were \$0.24 per share of common and Class B common stock outstanding and two of which were \$0.34 per share of common and Class B common stock outstanding. In 2015, IAC's Board of Directors declared four quarterly cash dividends, all of which were \$0.34 per share of common and Class B common stock outstanding.

On February 2, 2016, IAC announced that following the completion of the Match Group initial public offering and related debt transactions, IAC's Board of Directors had suspended the Company's quarterly cash dividend program. Accordingly, we do not currently expect that comparable cash dividends will continue to be paid in the near future. Any future cash or other dividend declarations are subject to the determination of IAC's Board of Directors.

During the quarter ended December 31, 2015, the Company did not issue or sell any shares of its common stock or other equity securities pursuant to unregistered transactions.

Issuer Repurchases of Equity Securities

The Company did not purchase any shares of its common stock during the quarter ended December 31, 2015. As of that date, approximately 5.6 million shares of common stock remained available for repurchase under the Company's previously announced April 2013 repurchase authorization. IAC may purchase shares pursuant to this repurchase authorization over an indefinite period of time in the open market and in privately negotiated transactions, depending on those factors IAC management deems relevant at any particular time, including, without limitation, market conditions, share price and future outlook.

Item 6. Selected Financial Data

The following selected financial data for the five years ended December 31, 2015 should be read in conjunction with the consolidated financial statements and accompanying notes included herein.

	Year Ended December 31,				
	2015	2014	2013	2012	2011
(Dollars in thousands, except per share data)					
Statement of Operations Data:⁽¹⁾					
Revenue	\$ 3,230,933	\$ 3,109,547	\$ 3,022,987	\$ 2,800,933	\$ 2,059,444
Earnings from continuing operations	113,357	234,557	281,799	169,847	175,569
Earnings per share from continuing operations attributable to IAC shareholders:					
Basic	\$ 1.44	\$ 2.88	\$ 3.40	\$ 1.95	\$ 2.05
Diluted	\$ 1.33	\$ 2.71	\$ 3.27	\$ 1.81	\$ 1.89
Dividends declared per share	\$ 1.36	\$ 1.16	\$ 0.96	\$ 0.72	\$ 0.12
December 31,					
	2015	2014 ⁽²⁾	2013 ⁽²⁾	2012 ⁽²⁾	2011 ⁽²⁾
(In thousands)					
Balance Sheet Data:					
Total assets	\$ 5,209,950	\$ 4,256,885	\$ 4,201,364	\$ 3,786,643	\$ 3,368,989
Long-term debt, including current maturities	1,788,213	1,080,000	1,080,000	595,844	95,844

⁽¹⁾ We recognized items that affected the comparability of results for the years 2015, 2014 and 2013, see "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations."

⁽²⁾ Total assets has been adjusted due to the adoption of Financial Accounting Standards Board Accounting Standards Update No. 2015-17, *Income Taxes* which requires that deferred tax assets and liabilities be classified as noncurrent in the consolidated balance sheet, see "Note 2—Summary of Significant Accounting Policies" in the consolidated financial statements included in "Item 8—Consolidated Financial Statements and Supplementary Data."

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Key Terms:

When the following terms appear in this report, they have the meanings indicated below:

- **Reportable Segments**
 - **Match Group** - includes the businesses of Match Group, Inc., which completed its initial public offering ("IPO") on November 24, 2015; and is comprised of **Dating**, which consists of **Dating North America** and **Dating International**, and **Non-dating**, which consists of The Princeton Review.
 - **HomeAdvisor** - is a leading nationwide home services digital marketplace that helps connect consumers with home professionals.
 - **Publishing** - consists of **Premium Brands**, which includes About.com, Dictionary.com, Investopedia and The Daily Beast; and **Ask & Other**, which includes Ask.com, CityGrid and ASKfm.
 - **Applications** - consists of **Consumer**, which includes our direct-to-consumer downloadable desktop applications, including SlimWare, and Apalon, which houses our mobile applications operations; and **Partnerships**, which includes our business-to-business partnership operations.
 - **Video** - consists primarily of Vimeo and DailyBurn, as well as Electus, IAC Films, CollegeHumor and Notional.
 - **Other** - consists of ShoeBuy and PriceRunner.
- **Dating North America** - includes Match, Chemistry, People Media, PlentyOfFish, OkCupid, Tinder and other dating businesses operating within the United States and Canada.
- **Dating International** - includes Meetic, the international operations of PlentyOfFish and Tinder and all other dating businesses operating outside of the United States and Canada.
- **Direct Revenue** - is revenue that is directly received by Match Group from an end user of its products.
- **Average PMC** - is calculated by summing the number of paid subscribers, or paid member count ("PMC"), at the end of each day in the relevant measurement period and dividing it by the number of calendar days in that period.
- **Average Revenue per Paying User ("ARPPU")** - is Direct Revenue in the relevant measurement period divided by the Average PMC in such period divided by the number of calendar days in such period.
- **Service Requests** - are fully completed and submitted customer service requests on HomeAdvisor.
- **Paying Service Professionals ("SPs")** - are the number of service professionals that had an active membership or paid for leads in the last month of the period.
- **Cost of revenue** - consists primarily of traffic acquisition costs and includes payments made to partners who distribute our Partnerships customized browser-based applications, integrate our paid listings into their websites and fees related to the distribution and facilitation of in-app purchase of product features. These payments include amounts based on revenue share and other arrangements. Cost of revenue also includes ShoeBuy's cost of products sold and shipping and handling costs, production costs related to media produced by Electus and other businesses within our Video segment, content acquisition costs, expenses associated with the operation of the Company's data centers, including compensation (including stock-based compensation) and other employee-related costs, rent, energy and hosting fees.
- **Selling and marketing expense** - consists primarily of advertising expenditures and compensation (including stock-based compensation) and other employee-related costs for personnel engaged in selling and marketing, sales support and customer service functions. Advertising expenditures include online marketing, including fees paid to search

engines and third parties that distribute our Consumer downloadable desktop applications, offline marketing, which is primarily television advertising and partner-related payments to those who direct traffic to the Match Group brands.

- **General and administrative expense** - consists primarily of compensation (including stock-based compensation) and other employee-related costs for personnel engaged in executive management, finance, legal, tax and human resources, facilities costs and fees for professional services.
- **Product development expense** - consists primarily of compensation (including stock-based compensation) and other employee-related costs that are not capitalized for personnel engaged in the design, development, testing and enhancement of product offerings and related technology.
- **2012 Senior Notes** - IAC's 4.75% Senior Notes due December 15, 2022, with interest payable each June 15 and December 15, which commenced June 15, 2013; a portion of which were exchanged for new 6.75% Match Group Senior Notes on November 16, 2015.
- **2013 Senior Notes** - IAC's 4.875% Senior Notes due November 30, 2018, with interest payable each May 30 and November 30, which commenced May 30, 2014.
- **Match Group Senior Notes** - Match Group's 6.75% Senior Notes due December 15, 2022, with interest payable each June 15 and December 15; which were issued in exchange for 2012 Senior Notes on November 16, 2015.
- **Match Group Term Loan** - an \$800 million, seven-year term loan received by Match Group on November 16, 2015.
- **Liberty Bonds** - 5% New York City Industrial Development Agency Liberty Bonds due September 1, 2035, with interest payable each March 1 and September 1, which commenced March 1, 2006. The Liberty Bonds were redeemed on September 1, 2015.

MANAGEMENT OVERVIEW

IAC is a leading media and Internet company comprised of some of the world's most recognized brands and products, such as HomeAdvisor, Vimeo, About.com, Dictionary.com, The Daily Beast, Investopedia, and Match Group's online dating portfolio, which includes Match, OkCupid, Tinder and PlentyOfFish.

Sources of Revenue

Match Group's Dating revenue is substantially derived directly from users in the form of recurring membership fees, which typically provide unlimited access to a bundle of features for a specific period of time, and the balances from à la carte features, where users pay a fee for a specific action or event; with additional revenue generated from online advertisers who pay to reach our large audiences. Non-dating revenue is primarily earned from fees received for in-person and online test preparation classes, access to online test preparation materials and individual tutoring services.

HomeAdvisor's revenue is derived primarily from fees paid by members of its network of home services professionals for consumer leads and memberships.

Substantially all of the revenue from our Publishing and Applications segments is derived from online advertising. Most of the Company's online advertising revenue is attributable to our services agreement with Google Inc. ("Google"). On October 26, 2015, the Company and Google entered into a services agreement that is effective as of April 1, 2016, following the expiration of the current services agreement, and expires on March 31, 2020. The Company may choose to terminate the agreement effective March 31, 2019. These services agreements require that we comply with certain guidelines promulgated by Google. Google may generally unilaterally update its own policies and guidelines without advance notice, which could in turn require modifications to, or prohibit and/or render obsolete certain of our products, services and/or business practices, which could be costly to address or otherwise have an adverse effect on our business, financial condition and results of operations. For the years ended December 31, 2015, 2014 and 2013, revenue earned from Google was \$1.3 billion, \$1.4 billion and \$1.5 billion, respectively. For the years ended December 31, 2015, 2014 and 2013, Google revenue represents 83% and 94%; 83% and 97%; and 83% and 98%, of Publishing and Applications revenue, respectively.

The revenue earned by our Video segment is derived from media production and distribution, subscriptions and advertising.

ShoeBuy's revenue is derived principally from merchandise sales. PriceRunner's revenue is derived principally from advertising.

Strategic Partnerships, Advertiser Relationships and Online Advertising

A significant component of the Company's revenue is attributable to the services agreement with Google described above. We market and offer our products and services directly to consumers through branded websites and subscriptions, allowing consumers to transact directly with us in a convenient manner. We have made, and expect to continue to make, substantial investments in online and offline advertising to build our brands and drive traffic to our websites and consumers and advertisers to our businesses.

We pay traffic acquisition costs, which consist of payments to partners who distribute our Partnerships customized browser-based applications, integrate our paid listings into their websites and fees related to the distribution and facilitation of in-app purchases of product features. We also pay to market and distribute our services on third-party distribution channels, such as search engines and social media websites. In addition, some of our businesses manage affiliate programs, pursuant to which we pay commissions and fees to third parties based on revenue earned. These distribution channels might also offer their own products and services, as well as those of other third parties, which compete with those we offer.

The cost of acquiring new consumers through online and offline third-party distribution channels has increased, particularly in the case of online channels, as Internet commerce continues to grow and competition in the markets in which IAC's businesses operate increases.

Recent Developments

During the fourth quarter of 2015, IAC realigned its reportable segments. See Note 1—Organization to the consolidated financial statements for more information.

On November 24, 2015, Match Group completed its IPO. At December 31, 2015, IAC's ownership interest and voting interest in Match Group were 84.6% and 98.2%, respectively.

On November 16, 2015:

- Match Group exchanged \$445.3 million of 2012 Senior Notes for \$445.2 million of Match Group Senior Notes.
- Match Group amended and restated the Match Group credit agreement to provide for an \$800 million Term Loan.

On October 28, 2015, Match Group completed the purchase of Plentyoffish Media Inc., or PlentyOfFish, for \$575 million in cash.

On October 26, 2015, the Company amended and extended its services agreement with Google as described above.

On October 7, 2015:

- IAC amended and restated its \$300 million revolving credit facility, which now expires on October 7, 2020.
- Match Group entered into a credit agreement, which provides for a \$500 million revolving credit facility that expires on October 7, 2020.

Factors Affecting Consolidated Results

In 2015, we delivered 4% revenue growth; however, Adjusted EBITDA and operating income declined 11% and 53%, respectively. Revenue growth was primarily driven by the Match Group, HomeAdvisor and Video segments; the decline in Adjusted EBITDA was primarily driven by the Publishing segment; and the decline in operating income was primarily driven by the Publishing, Match Group, Other and Corporate segments. Revenue growth at the Match Group was driven by an increase in Direct revenue and the full year contribution from The Princeton Review. HomeAdvisor's revenue growth was driven by higher service requests and an increase in Paying SPs in their domestic business, while the Video segment saw strong revenue growth at Vimeo, DailyBurn and Electus. Adjusted EBITDA was negatively impacted by lower revenue at Publishing driven by a decrease at Ask.com and certain legacy businesses. The operating income decline was due to the decrease in Adjusted EBITDA, an \$88.0 million impairment charge related to certain indefinite-lived intangible assets at Publishing, an increase of \$45.8 million in stock-based compensation (\$29.2 million at Match Group and \$15.8 million at Corporate) and a \$14.1 million goodwill impairment charge at Other.

Other events affecting year-over-year comparability include:

- (i) foreign exchange effects, which negatively impacted Dating revenue 6% (reflected in the Match Group segment);

- (ii) the acquisitions of Eureka, on April 24, 2015, and PlentyOfFish, on October 28, 2015 (both reflected in the Match Group segment);
- (iii) \$16.8 million of costs in 2015 related to the ongoing consolidation and streamlining of technology systems and European operations at the Dating businesses (reflected in the Match Group segment);
- (iv) acquisitions in 2014 of:
 - the ValueClick O&O website businesses on January 10, 2014 (reflected in the Publishing segment except for PriceRunner which is reflected in the Other segment),
 - SlimWare on April 1, 2014 (reflected in the Applications segment),
 - The Princeton Review on August 1, 2014 (reflected in the Match Group segment),
 - FriendScout24 on August 31, 2014 (reflected in the Match Group segment), and
 - Apalon on November 3, 2014 (reflected in the Applications segment);
- (v) the sale of the Rezbook assets in July 2013, which resulted in a gain of \$8.4 million (reflected in the Other segment);
- (vi) the move of CityGrid from the Other segment to the Publishing segment, effective July 1, 2013, following its reorganization; and
- (vii) \$4.2 million in employee termination costs associated with the CityGrid restructuring in 2013 (reflected in the Other segment).

Results of Operations for the Years Ended December 31, 2015, 2014 and 2013

Revenue

	Years Ended December 31,						2013
	2015	\$ Change	% Change	2014	\$ Change	% Change	
	(Dollars in thousands)						
Match Group	\$ 1,020,431	\$ 132,163	15 %	\$ 888,268	\$ 85,179	11 %	\$ 803,089
HomeAdvisor	361,201	77,660	27 %	283,541	44,070	18 %	239,471
Publishing	691,686	(99,863)	(13)%	791,549	(11,592)	(1)%	803,141
Applications	760,748	(15,959)	(2)%	776,707	(57,929)	(7)%	834,636
Video	213,317	30,863	17 %	182,454	20,997	13 %	161,457
Other	184,095	(3,739)	(2)%	187,834	5,219	3 %	182,615
Inter-segment elimination	(545)	261	33 %	(806)	616	43 %	(1,422)
Total	<u>\$ 3,230,933</u>	<u>\$ 121,386</u>	4 %	<u>\$ 3,109,547</u>	<u>\$ 86,560</u>	3 %	<u>\$ 3,022,987</u>

For the year ended December 31, 2015 compared to the year ended December 31, 2014

Match Group revenue increased 15%, or 20% excluding the effects of foreign exchange, driven by a 9% increase in Dating revenue attributable to 8% growth in Direct revenue. Direct revenue growth was primarily driven by higher Average PMC at both North America and International, up 13% and 31%, respectively, due mainly to Tinder, partially offset by 8% lower ARPPU due to brand mix shifts and foreign exchange effects. Excluding foreign exchange effects, total Dating revenue and International Direct revenue would have increased 15% and 21%, respectively. Non-dating revenue increased 114% principally due to the full year contribution from The Princeton Review, which was acquired on August 1, 2014.

HomeAdvisor revenue increased 27% due primarily to 43% growth at the HomeAdvisor domestic business, partially offset by international declines due primarily to the restructuring of certain European operations in the fourth quarter of 2014. HomeAdvisor domestic revenue growth was driven by 49% higher service requests and a 46% increase in Paying SPs.

Publishing revenue decreased 13% due to 31% lower Ask & Other revenue, partially offset by 29% higher Premium Brands revenue. Ask & Other revenue decreased primarily to a decline in revenue at Ask.com and certain legacy businesses. Premium Brands revenue increased due primarily to strong growth at About.com and Investopedia.

Applications revenue decreased 2% due to a 27% decline in Partnerships, partially offset by 16% growth in Consumer. Consumer growth was driven by higher revenue from our downloadable desktop applications, including SlimWare, and a full year contribution from Apalon, our mobile applications business, which was acquired on November 3, 2014.

Video revenue grew 17% due primarily to strong growth at Vimeo, DailyBurn and Electus.

Other revenue decreased 2% due to lower revenue at PriceRunner.

For the year ended December 31, 2014 compared to the year ended December 31, 2013

Match Group revenue increased 11%, driven by a 6% increase in Dating revenue due to higher Direct revenue. Direct revenue growth was primarily driven by higher Average PMC at both North America and International, up 11% and 8%, respectively, due to a strong increase in beginning PMC, partially offset by 3% lower ARPPU due to brand mix shifts. Non-dating revenue increased 248%, as a result of the acquisition of The Princeton Review on August 1, 2014.

HomeAdvisor revenue increased 18% due primarily to 17% growth at the HomeAdvisor domestic business driven by 13% higher service requests and a 24% increase in Paying SPs.

Publishing revenue decreased 1% due to 8% lower Ask & Other revenue, partially offset by 19% higher Premium Brands revenue. Ask & Other revenue decreased due primarily to a decline in revenue from Ask.com, partially offset by the contribution of CityGrid, which was moved from the Other segment to the Publishing segment, effective July 1, 2013, following its reorganization. Premium Brands revenue increased due primarily to growth from About.com and the full year contribution from Investopedia, partially offset by the impact of the closure of the Newsweek print business and sale of the Newsweek digital business in August 2013.

Applications revenue decreased 7% due to a 31% decline in Partnerships, partially offset by 23% growth in Consumer. Partnerships revenue decreased due primarily to the loss of certain partners. Consumer growth was driven by increased contributions from existing and new products, as well as the full year contribution from SlimWare, which was acquired on April 1, 2014.

Video revenue increased 13% due primarily to strong growth at Vimeo, the contribution of \$11.3 million from IAC Films and growth at DailyBurn, partially offset by declines in revenue at Electus. The contribution from IAC Films was due to the release of *Top Five*.

Other revenue increased 3% due to the contribution from PriceRunner and growth from ShoeBuy, partially offset by the move of CityGrid described above.

Cost of revenue

	Years Ended December 31,						
	2015	\$ Change	% Change	2014	\$ Change	% Change	2013
	(Dollars in thousands)						
Cost of revenue	\$778,161	\$(82,043)	(10)%	\$860,204	\$(117,153)	(12)%	\$977,357
As a percentage of revenue	24%			28%			32%

For the year ended December 31, 2015 compared to the year ended December 31, 2014

Cost of revenue decreased in 2015 from 2014 due to decreases of \$87.8 million from Publishing and \$65.3 million from Applications, partially offset by increases of \$58.0 million from Match Group and \$10.4 million from Video.

- The Publishing decrease was due primarily to a reduction of \$87.1 million in traffic acquisition costs at Ask & Other driven primarily by a decline in revenue at Ask.com.
- The Applications decrease was due primarily to a reduction of \$72.2 million in traffic acquisition costs driven by a decline in revenue at Partnerships.
- The Match Group increase was due primarily to a significant increase in in-app purchase fees given that its native mobile apps were largely introduced in the second quarter of 2014, the full year contribution from the acquisition of The Princeton Review and higher hosting fees driven by growth in users and product features.

- The Video increase was due primarily to increases in hosting fees and content costs related to Vimeo's expanded On Demand catalog.

For the year ended December 31, 2014 compared to the year ended December 31, 2013

Cost of revenue decreased in 2014 from 2013 due to decreases of \$101.8 million from Applications, \$54.7 million from Publishing and \$7.8 million from Other, partially offset by increases of \$34.1 million from Match Group and \$11.4 million from Video.

- The Applications decrease was due primarily to a reduction of \$102.1 million in traffic acquisition costs driven primarily from lower revenue from Partnerships.
- The Publishing decrease was due primarily to a reduction of \$69.6 million in traffic acquisition costs at Ask & Other driven primarily by lower revenue from Ask.com and a decrease from the impact of the closure of the Newsweek print business and sale of the Newsweek digital business at Premium Brands, partially offset by the acquisition of certain ValueClick O&O website businesses and the move of CityGrid from the Other segment to the Publishing segment.
- The Other decrease was due primarily to the move of CityGrid, partially offset by increases from the acquisition of PriceRunner and the cost of products sold at ShoeBuy resulting from increased sales.
- The Match Group increase was due primarily to the acquisition of The Princeton Review and a significant increase in in-app purchases given that its native mobile apps were largely introduced in the second quarter of 2014, as well as higher hosting fees driven by growth in users and product features.
- The Video increase was due primarily to increases in hosting fees and content costs at Vimeo and a net increase in production costs at our media businesses.

Selling and marketing expense

	Years Ended December 31,						
	2015	\$ Change	% Change	2014	\$ Change	% Change	2013
	(Dollars in thousands)						
Selling and marketing expense	\$1,345,576	\$198,167	17%	\$1,147,409	\$164,635	17%	\$982,774
As a percentage of revenue	42%			37%			33%

For the year ended December 31, 2015 compared to the year ended December 31, 2014

Selling and marketing expense in 2015 increased from 2014 due to increases of \$62.7 million from HomeAdvisor, \$56.6 million from Publishing, \$41.0 million from Applications, \$24.5 million from Match Group and \$17.0 million from Video.

- The HomeAdvisor increase was due primarily to increases of \$41.5 million in offline and online marketing and \$19.1 million in compensation due, in part, to an increase in salesforce at HomeAdvisor domestic.
- The Publishing increase was due primarily to an increase of \$54.8 million in online marketing across Premium Brands, including About.com, partially offset by declines at Ask.com.
- The Applications increase was due primarily to an increase of \$38.1 million in online marketing, which was primarily related to a significant increase in new downloadable desktop applications at Consumer.
- The Match Group increase was due primarily to the full year contribution from the 2014 acquisitions of FriendScout24 and The Princeton Review, an increase in stock-based compensation and from the 2015 acquisition of Eureka.
- The Video increase was due primarily to an increase of \$13.3 million in online marketing driven primarily from Vimeo.

For the year ended December 31, 2014 compared to the year ended December 31, 2013

Selling and marketing expense in 2014 increased from 2013 due to increases of \$75.8 million from Applications, \$28.9 million from Publishing, \$26.5 million from HomeAdvisor, \$17.9 million from Video and \$13.2 million from Match Group.

- The Applications increase was due primarily to an increase in online marketing related to our downloadable desktop applications at Consumer and the acquisition of SlimWare.
- The Publishing increase was due primarily to Premium Brands, partially offset by Ask & Other. The increase from Premium Brands was due primarily to an increase in online marketing at About.com, and from the acquisition of Investopedia. The decrease from Ask & Other was due primarily to a decrease in online marketing at Ask.com.
- The HomeAdvisor increase was due primarily to increases of \$12.7 million in compensation due, in part, to an increase in salesforce at HomeAdvisor domestic and \$11.1 million in offline marketing.
- The Video increase was due primarily to an increase of \$13.6 million in online and offline marketing at Vimeo and DailyBurn.
- The Match Group increase was due primarily to an increase of \$5.4 million from Dating related to the acquisition of FriendScout24 and an increase in advertising spend, as well as an increase of \$4.5 million from the acquisition The Princeton Review.

General and administrative expense

	Years Ended December 31,						
	2015	\$ Change	% Change	2014	\$ Change	% Change	2013
	(Dollars in thousands)						
General and administrative expense	\$525,629	\$82,019	18%	\$443,610	\$65,468	17%	\$378,142
As a percentage of revenue	16%			14%			13%

For the year ended December 31, 2015 compared to the year ended December 31, 2014

General and administrative expense in 2015 increased from 2014 due to increases of \$58.0 million from Match Group, \$11.7 million from Corporate and \$9.0 million from HomeAdvisor.

- The Match Group increase was due primarily to the full year contribution from the acquisition of The Princeton Review, an increase of \$19.2 million in stock-based compensation expense due to the modification of certain awards in the current year and the issuance of equity awards since the prior year, and an increase of \$3.3 million in severance expense and costs in the current year related to the ongoing consolidation and streamlining of technology systems and European operations at our Dating businesses, partially offset by a \$3.9 million benefit in the prior year related to the expiration of the statute of limitations for a non-income tax matter.
- The Corporate increase was due primarily to an increase in stock-based compensation expense as a result of a higher number of forfeited awards in the prior year and the modification of certain awards in the current year.
- The HomeAdvisor increase was due primarily to increases in compensation as a result of increased headcount at HomeAdvisor domestic and bad debt expense.

For the year ended December 31, 2014 compared to the year ended December 31, 2013

General and administrative expense in 2014 increased from 2013 due to increases of \$24.2 million from Match Group, \$14.5 million from Publishing, \$11.8 million from HomeAdvisor, \$7.7 million from Video and \$5.0 million from Other.

- The Match Group increase was due primarily to an increase of \$21.2 million from the acquisition of The Princeton Review and an increase of \$10.7 million in compensation at Dating resulting from an increase of \$8.5 million in stock-based compensation due to new grants and increased headcount. These increases were partially offset by a decrease of \$13.3 million in acquisition-related contingent consideration fair value adjustments at Two driven by changes in the forecast of earnings and operating metrics, and a \$3.9 million benefit in the first quarter of 2014 related to the expiration of the statute of limitations for a non-income tax matter.
- The Publishing increase was due primarily to the inclusion in the prior year of a \$6.3 million gain related to the sale of Newsweek in August 2013 and an increase from recent acquisitions.
- The HomeAdvisor increase was due primarily to increases in compensation at HomeAdvisor domestic and bad debt expense.
- The Video increase was due primarily to an increase in compensation at Vimeo due, in part, to increased headcount.

- The Other increase was due primarily to the inclusion in the prior year of an \$8.4 million gain on the sale of Rezbook assets in July 2013 and the acquisition of PriceRunner, partially offset by \$4.2 million in employee termination costs in the prior year associated with the 2013 CityGrid restructuring.

Product development expense

	Years Ended December 31,						
	2015	\$ Change	% Change	2014	\$ Change	% Change	2013
	(Dollars in thousands)						
Product development expense	\$185,766	\$25,251	16%	\$160,515	\$20,756	15%	\$139,759
As a percentage of revenue	6%			5%			5%

For the year ended December 31, 2015 compared to the year ended December 31, 2014

Product development expense in 2015 increased from 2014 due to increases of \$17.6 million from Match Group and \$5.5 million from HomeAdvisor.

- The Match Group increase was due primarily to increased compensation from existing businesses and from acquisitions at Dating, as well as \$4.0 million in severance expense in the current year, primarily incurred in the first half of 2015, related to the ongoing consolidation and streamlining of technology systems and European operations at our Dating business.
- The HomeAdvisor increase was primarily related to an increase in compensation at HomeAdvisor domestic due, in part, to increased headcount.

For the year ended December 31, 2014 compared to the year ended December 31, 2013

Product development expense increased in 2014 from 2013 due to increases of \$10.8 million from Publishing, \$6.8 million from Match Group and \$2.4 million from Video.

- The Publishing increase was primarily related to the increases at both Ask & Other and Premium Brands. Ask & Other increased from the acquisition of certain ValueClick O&O website businesses. Premium Brands increased due primarily to an increase in compensation due, in part, to increased headcount at About.com.
- The Match Group increase was primarily related to an increase in compensation driven primarily by increased headcount at Tinder and Tutor.com (now The Princeton Review).
- The Video increase was due to an increase in headcount at Vimeo.

Depreciation

	Years Ended December 31,						
	2015	\$ Change	% Change	2014	\$ Change	% Change	2013
	(Dollars in thousands)						
Depreciation	\$62,205	\$1,049	2%	\$61,156	\$2,247	4%	\$58,909
As a percentage of revenue	2%			2%			2%

For the year ended December 31, 2015 compared to the year ended December 31, 2014

Depreciation in 2015 increased from 2014 due primarily to the acquisition of The Princeton Review and incremental depreciation associated with capital expenditures, partially offset by certain fixed assets becoming fully depreciated.

For the year ended December 31, 2014 compared to the year ended December 31, 2013

Depreciation in 2014 increased from 2013 due to acquisitions and the incremental depreciation associated with capital expenditures, partially offset by certain fixed assets becoming fully depreciated and the inclusion in the prior year of the write-off of \$2.7 million in capitalized software costs at About.com primarily related to projects which commenced prior to its acquisition.

Adjusted EBITDA

	Years Ended December 31,						
	2015	\$ Change	% Change	2014	\$ Change	% Change	2013
(Dollars in thousands)							
Match Group	\$ 278,667	\$ 5,219	2 %	\$ 273,448	\$ 2,217	1 %	\$ 271,231
HomeAdvisor	18,529	828	5 %	17,701	2,328	15 %	15,373
Publishing	87,788	(63,172)	(42)%	150,960	(10,990)	(7)%	161,950
Applications	184,258	(1,934)	(1)%	186,192	(33,071)	(15)%	219,263
Video	(38,384)	1,532	4 %	(39,916)	(18,519)	(87)%	(21,397)
Other	10,621	(2,513)	(19)%	13,134	5,614	75 %	7,520
Corporate	(55,689)	1,754	3 %	(57,443)	(1,806)	(3)%	(55,637)
Total	<u>\$ 485,790</u>	<u>\$ (58,286)</u>	<u>(11)%</u>	<u>\$ 544,076</u>	<u>\$ (54,227)</u>	<u>(9)%</u>	<u>\$ 598,303</u>
As a percentage of revenue	<u>15%</u>			<u>17%</u>			<u>20%</u>

Refer to Note 13 to the consolidated financial statements for reconciliations of Adjusted EBITDA to operating income (loss) by reportable segment and to net earnings attributable to IAC's shareholders.

For the year ended December 31, 2015 compared to the year ended December 31, 2014

Match Group Adjusted EBITDA increased 2% due primarily to an increase in revenue and reduced losses from The Princeton Review, partially offset by \$16.8 million of costs in the current year period related to the ongoing consolidation and streamlining of technology systems and European operations at our Dating businesses, an increase in cost of revenue and \$3.9 million benefit in the prior year related to the expiration of the statute of limitations for a non-income tax matter.

HomeAdvisor Adjusted EBITDA increased 5% due primarily to higher revenue, partially offset by an increased investment in offline and online marketing, higher compensation due, in part, to increased headcount, and increased bad debt expense at HomeAdvisor domestic.

Publishing Adjusted EBITDA decreased 42% due primarily to lower revenue and an increase in selling and marketing expense, partially offset by a decrease in cost of revenue. The increase in selling and marketing expense was primarily related to an increase in online marketing across Premium Brands, including About.com, partially offset by a decline at Ask.com. The decrease in cost of revenue was due primarily to a decrease in traffic acquisition costs driven primarily by a decline in revenue at Ask.com.

Applications Adjusted EBITDA decreased 1% due to lower revenue and an increase in selling and marketing expense, partially offset by a decrease in cost of revenue. The increase in selling and marketing expense was primarily due to a significant increase in online marketing related to new downloadable desktop applications at Consumer. The decrease in cost of revenue was due primarily to a decrease in traffic acquisition costs driven by a decline in revenue from Partnerships.

Video Adjusted EBITDA loss decreased 4% due primarily to increased profits at Electus and reduced losses at DailyBurn and IAC Films, partially offset by increased investment in Vimeo.

Other Adjusted EBITDA decreased 19% due to lower revenue.

Corporate Adjusted EBITDA loss decreased 3% due to lower compensation.

For the year ended December 31, 2014 compared to the year ended December 31, 2013

Match Group Adjusted EBITDA increased 1% due primarily to higher revenue, partially offset by losses from the acquisition of The Princeton Review and higher cost of revenue. The increase in cost of revenue was due primarily to a significant increase in in-app purchases given that Dating's native mobile apps were largely introduced in the second quarter of 2014.

HomeAdvisor Adjusted EBITDA increased 15% due primarily to higher revenue, partially offset by increased compensation at HomeAdvisor domestic and increased offline marketing.

Publishing Adjusted EBITDA decreased 7% due primarily to lower revenue and an increase in selling and marketing expense, partially offset by the move of CityGrid from the Other segment to the Publishing segment, the inclusion in the prior year of a \$6.3 million gain related to the sale of Newsweek in August 2013, a decrease in cost of revenue and the contribution from the acquisition of certain ValueClick O&O website businesses. The increase in selling and marketing expense was due primarily to an increase in online marketing at About.com, partially offset by a decrease at Ask.com. The decrease in cost of revenue was due primarily to a reduction in traffic acquisition costs driven primarily by lower revenue from Ask.com.

Applications Adjusted EBITDA decreased 15% due primarily to lower revenue, an increase in selling and marketing expense and losses related to the acquisition of SlimWare, partially offset by lower cost of revenue. The increase in selling and marketing expense is due primarily to an increase in online marketing related to our downloadable desktop applications at Consumer. The loss from SlimWare was due to the write-off of \$11.0 million of deferred revenue in connection with its acquisition on April 1, 2014. The lower cost of revenue was due primarily to a reduction in traffic acquisition costs driven primarily from lower revenue from Partnerships.

Video Adjusted EBITDA loss increased 87% due primarily to increased investment in Vimeo and losses at IAC Films and DailyBurn, partially offset by lower losses at Electus.

Other Adjusted EBITDA increased 75% due primarily to the contribution from the acquisition of PriceRunner and the inclusion of \$4.2 million in employee termination costs in 2013 associated with the CityGrid restructuring, partially offset by the prior year benefiting from an \$8.4 million gain on the sale of Rezbook assets in July 2013.

Corporate Adjusted EBITDA loss increased 3% to a loss due primarily to higher professional fees.

Operating income (loss)

	Years Ended December 31,						2013
	2015	\$ Change	% Change	2014	\$ Change	% Change	
	(Dollars in thousands)						
Match Group	\$ 193,556	\$ (35,011)	(15)%	\$ 228,567	\$ 7,234	3 %	\$ 221,333
HomeAdvisor	6,452	5,391	509 %	1,061	777	274 %	284
Publishing	(26,692)	(137,215)	NM	110,523	(8,961)	(7)%	119,484
Applications	175,145	(3,815)	(2)%	178,960	(35,956)	(17)%	214,916
Video	(38,756)	4,590	11 %	(43,346)	(19,202)	(80)%	(24,144)
Other	(9,186)	(17,294)	NM	8,108	8,452	NM	(344)
Corporate	(120,931)	(15,785)	(15)%	(105,146)	180	— %	(105,326)
Total	\$ 179,588	\$ (199,139)	(53)%	\$ 378,727	\$ (47,476)	(11)%	\$ 426,203
As a percentage of revenue	6%			12%			14%

NM = not meaningful

For the year ended December 31, 2015 compared to the year ended December 31, 2014

Operating income in 2015 decreased from 2014 due to the decrease of \$58.3 million in Adjusted EBITDA described above and increases of \$82.0 million in amortization of intangibles, \$45.8 million in stock-based compensation expense and \$14.1 million in goodwill impairment, partially offset by an increase in gains of \$2.1 million in acquisition-related contingent consideration fair value adjustments. The increase in amortization of intangibles was due primarily to an \$88.0 million impairment charge related to certain trade names of certain Ask & Other direct marketing brands, including Ask.com. The impairment charge reflects the impact of recent Google ecosystem changes that have impacted our ability to market, the effect of the reduced revenue share on mobile under the terms of the services agreement with Google, which was entered into on October 26, 2015, and the shift in focus to higher margin businesses in Publishing's Premium Brands. The combined impact of these factors has reduced the forecasted revenue and profits for these brands and the impairment charge reflects the resultant

reduction in fair value. The increase in stock-based compensation expense was due primarily to the modification of certain equity awards in the current year period, a higher number of forfeited awards in the prior year and issuance of equity awards since the prior year. The goodwill impairment charge at ShoeBuy was due to increased investment and the seasonal effect of high inventory levels as of October 1, 2015, the date of our most recent annual assessment. The increase in gains in acquisition-related contingent consideration fair value adjustments was the result of an update of the future forecast of earnings and operating metrics related to certain acquired businesses.

At December 31, 2015, there was \$190.6 million of unrecognized compensation cost, net of estimated forfeitures, related to all equity-based awards, which is expected to be recognized over a weighted average period of approximately 2.7 years.

For the year ended December 31, 2014 compared to the year ended December 31, 2013

Operating income in 2014 decreased from 2013 due to the decrease of \$54.2 million in Adjusted EBITDA described above and increases of \$6.6 million in stock-based compensation expense and \$2.2 million in depreciation, partially offset by an increase in gains of \$13.7 million in acquisition-related contingent consideration fair value adjustments and a decrease of \$1.9 million in amortization of intangibles. The increase in stock-based compensation expense was due primarily to the issuance of equity awards since the prior year. The increase in gains of acquisition-related contingent consideration fair value adjustments was principally related to changes in Twoo's future forecast of earnings and operating metrics. The decrease in amortization of intangibles was primarily related to lower amortization expense at Dating due to certain intangible assets becoming fully amortized, and the inclusion in the prior year of a \$3.4 million impairment charge associated with an indefinite-lived intangible asset related to the CityGrid restructuring, partially offset by amortization of intangibles related to recent acquisitions.

Equity in earnings (losses) of unconsolidated affiliates

	Years Ended December 31,						
	2015	\$ Change	% Change	2014	\$ Change	% Change	2013
	(Dollars in thousands)						
Equity in earnings (losses) of unconsolidated affiliates	\$772	\$10,469	NM	\$(9,697)	\$(3,082)	(47)%	\$(6,615)

Equity in earnings of unconsolidated affiliates in 2015 increased from 2014 due primarily to reduced losses associated with our equity method investees, and the inclusion in the second quarter of 2014 of a \$4.2 million other-than-temporary impairment charge on one of our investments following the sale of a majority of the investee's assets.

Equity in losses of unconsolidated affiliates in 2014 increased from 2013 due primarily to the inclusion in the second quarter of 2014 of the above mentioned \$4.2 million other-than-temporary impairment charge, partially offset by reduced losses associated with our equity method investments.

Interest expense

	Years Ended December 31,						
	2015	\$ Change	% Change	2014	\$ Change	% Change	2013
	(Dollars in thousands)						
Interest expense	\$(73,636)	\$(17,322)	(31)%	\$(56,314)	\$(22,718)	(68)%	\$(33,596)

Interest expense in 2015 increased from 2014 due primarily to both the costs and the higher interest rate associated with the exchange of \$445 million of Match Group Senior Notes for a substantially like amount of 2012 Senior Notes, as well as the \$800 million Match Group Term Loan. In connection with the note exchange, \$7.3 million in costs were expensed during the current year. The note exchange and term loan borrowings closed on November 16, 2015. Interest expense in 2015 was also impacted by the accelerated amortization of deferred financing costs associated with the redemption of the Liberty Bonds on September 1, 2015.

Interest expense in 2014 increased from 2013 due primarily to the 2013 Senior Notes, which were issued on November 15, 2013.

Other income (expense), net

	Years Ended December 31,						
	2015	\$ Change	% Change	2014	\$ Change	% Change	2013
	(Dollars in thousands)						
Other income (expense), net	\$36,149	\$78,936	NM	\$(42,787)	\$(73,096)	NM	\$30,309

Other income, net in 2015 includes a pre-tax gain of \$34.3 million from a real estate transaction in the current year period and \$5.4 million in net foreign currency exchange gains, partially offset by \$6.7 million in other-than-temporary impairment charges related to certain cost method investments as a result of our assessment of the near-term prospects and financial condition of the investees.

Other expense, net in 2014 includes \$66.6 million in other-than-temporary impairment charges related to certain cost method investments as a result of our assessment of the near-term prospects and financial condition of the investees, partially offset by a \$19.4 million gain related to the sale of Urbanspoon and \$3.6 million in gains related to the sale of several long-term investments.

Other income, net in 2013 includes \$35.9 million in gains related to the sale of long-term investments, partially offset by a \$5.0 million other-than-temporary impairment charge related to a cost method investment.

Income tax provision

	Years Ended December 31,						
	2015	\$ Change	% Change	2014	\$ Change	% Change	2013
	(Dollars in thousands)						
Income tax provision	\$(29,516)	NM	NM	\$(35,372)	NM	NM	\$(134,502)

For discussion of income taxes see Note 3—Income Taxes to the consolidated financial statements.

In 2015, the Company recorded an income tax provision for continuing operations of \$29.5 million, which represents an effective income tax rate of 21%. The effective rate was lower than the statutory rate of 35% due primarily to the realization of certain deferred tax assets, foreign income taxed at lower rates, the non-taxable gain on contingent consideration fair value adjustments in the current year period, and a reduction in tax reserves and related interest due to the expiration of statutes of limitations, partially offset by a non-deductible goodwill impairment charge and unbenefited losses of unconsolidated subsidiaries.

In 2014, the Company recorded an income tax provision for continuing operations of \$35.4 million, which represents an effective income tax rate of 13%. The effective rate was lower than the statutory rate of 35% due principally to a reduction in tax reserves and related interest of \$88.2 million due to the expiration of statutes of limitations for federal income taxes for 2001 through 2009 and foreign income taxed at lower rates, partially offset by the largely unbenefited loss associated with the write-downs of certain of the Company's investments and non-deductible goodwill associated with the sale of Urbanspoon.

In 2013, the Company recorded an income tax provision for continuing operations of \$134.5 million, which represents an effective income tax rate of 32%. The effective rate was lower than the statutory rate of 35% due primarily to foreign income taxed at lower rates.

Earnings from discontinued operations, net of tax

	Years Ended December 31,						
	2015	\$ Change	% Change	2014	\$ Change	% Change	2013
	(Dollars in thousands)						
Earnings from discontinued operations, net of tax	\$17	NM	NM	\$174,673	NM	NM	\$1,926

Earnings from discontinued operations, net of tax in 2014 was due to the release of tax reserves related to the expiration of the statutes of limitations for federal income taxes for the years 2001 through 2009.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Position

	December 31, 2015	December 31, 2014
	(In thousands)	
Cash and cash equivalents:		
United States ⁽¹⁾	\$ 1,109,331	\$ 770,050
All other countries ⁽²⁾	372,116	220,355
Marketable securities (United States) ⁽³⁾	39,200	160,648
Total cash and cash equivalents and marketable securities ⁽⁴⁾	\$ 1,520,647	\$ 1,151,053
Long-term debt:		
Match Group Term Loan due November 16, 2022 ⁽⁵⁾	\$ 800,000	\$ —
Match Group Senior Notes due December 15, 2022	445,172	—
2013 Senior Notes due November 30, 2018	500,000	500,000
2012 Senior Notes due December 15, 2022	54,732	500,000
Liberty Bonds	—	80,000
	\$ 1,799,904	\$ 1,080,000
Less: Current portion of long-term debt	40,000	—
Less: Net adjustment for remaining original issue discount on Match Group Term Loan and original issue premium related to the Match Exchange Offer	11,691	—
Total long-term debt, net of current maturities	\$ 1,748,213	\$ 1,080,000

⁽¹⁾ Domestically, cash equivalents primarily consist of AAA rated money market funds and commercial paper rated A2/P2 or better.

⁽²⁾ Internationally, cash equivalents primarily consist of time deposits and AAA rated money market funds. If needed for our U.S. operations, most of the cash and cash equivalents held by the Company's foreign subsidiaries could be repatriated; however, under current law, would be subject to U.S. federal and state income taxes. We have not provided for any such tax because the Company currently does not anticipate a need to repatriate these funds to finance our U.S. operations and it is the Company's intent to indefinitely reinvest these funds outside of the U.S.

⁽³⁾ Marketable securities consist of short-to-medium-term debt securities issued by investment grade corporate issuers and an equity security. The Company invests in marketable debt securities with active secondary or resale markets to ensure portfolio liquidity to fund current operations or satisfy other cash requirements as needed. The Company also invests in equity securities as part of its investment strategy.

⁽⁴⁾ At December 31, 2015, cash and cash equivalents includes Match Group's domestic and international cash and cash equivalents of \$34.4 million and \$53.8 million, respectively. Marketable securities include \$11.6 million at Match Group. Agreements governing Match Group's indebtedness limit the payment of dividends or distributions, loans or advances to stockholders, including the Company. In addition, Match Group is a separate and distinct legal entity with its own public shareholders and has no obligation to provide the Company with funds. As a result, we may not freely access the cash of Match Group and its subsidiaries.

⁽⁵⁾ The proceeds received from the Match Group Term Loan will be used for general corporate purposes.

Cash Flow Information

In summary, the Company's cash flows attributable to continuing operations are as follows:

	December 31,		
	2015	2014	2013
	(In thousands)		
Net cash provided by operating activities	\$ 349,405	\$ 424,048	\$ 410,961
Net cash used in investing activities	(582,721)	(439,794)	(79,761)
Net cash provided by (used in) financing activities	734,808	(80,980)	17,666

2015

Net cash provided by operating activities attributable to continuing operations consists of earnings or loss from continuing operations adjusted for non-cash items, including stock-based compensation expense, depreciation, amortization of intangibles, asset impairment charges, excess tax benefits from stock-based awards, deferred income taxes, equity in earnings or losses of unconsolidated affiliates, acquisition-related contingent consideration fair value adjustments, as well as adjustments related to gains from investing activities, and the effect of changes in working capital. Net cash provided by operating activities attributable to continuing operations in 2015 consists of earnings from continuing operations of \$113.4 million, adjustments for non-cash items of \$187.1 million, and a \$49.0 million increase in cash from changes in working capital. Adjustments for non-cash items and gains from investing activities primarily consist of \$140.0 million of amortization of intangibles, \$105.5 million of stock-based compensation, \$62.2 million of depreciation and \$14.1 million of goodwill impairment, partially offset by \$59.8 million of deferred income taxes, \$56.4 million of excess tax benefits from stock-based awards, \$34.3 million of gain on a real estate transaction and \$15.5 million in acquisition-related contingent consideration fair value adjustments. The deferred income tax benefit primarily relates to amortization of intangibles and stock-based compensation. The increase from changes in working capital consist primarily of an increase in deferred revenue of \$66.9 million and an increase in income taxes payable of \$24.2 million, partially offset by an increase in accounts receivable of \$29.7 million and an increase in other assets of \$21.2 million. The increase in deferred revenue was due mainly to growth in prepaid revenue at Match Group, Vimeo and HomeAdvisor, increases related to acquisitions, and increases at Electus, CollegeHumor and Notional mainly due to the timing of various production deals. The increase in income taxes payable was due to current year income tax accruals in excess of current year income tax payments. The increase in accounts receivable was primarily due to growth in Match Group's in-app purchases sold through their mobile products and revenue growth at HomeAdvisor. The increase in other assets was primarily due to Match Group, relating to an increase in prepaid expenses, primarily from growth and the signing of longer-term contracts, as well as an increase in VAT refund receivables in the Publishing segment.

Net cash used in investing activities attributable to continuing operations in 2015 includes the purchase of acquisitions and investments of \$651.9 million, which includes PlentyOfFish, and capital expenditures of \$62.0 million, primarily related to the internal development of software to support our products and services, and computer hardware, partially offset by the proceeds from maturities and sales of marketable debt securities and sales of long-term investments and an asset, net of purchases, of \$134.7 million.

Net cash provided by financing activities attributable to continuing operations in 2015 includes \$788.0 million in borrowings from the Match Group Term Loan, \$428.8 million in net proceeds received from Match Group's initial public offering and excess tax benefits from stock-based awards of \$56.4 million, partially offset by \$200.0 million used for the repurchase of 3.0 million shares of common stock at an average price of \$67.68 per share, \$113.2 million related to the payment of cash dividends to IAC shareholders, \$80.0 million for the early redemption of the Liberty Bonds, \$38.4 million in proceeds related to the issuance of common stock, net of withholding taxes, \$32.2 million for the purchase of noncontrolling interests, \$23.4 million for the repurchase of stock-based awards and \$19.1 million of debt issuance costs primarily associated with the Match Group Term Loan and revolving credit facility.

2014

Net cash provided by operating activities attributable to continuing operations in 2014 consists of earnings from continuing operations of \$234.6 million, adjustments for non-cash items and gains from investing activities totaling \$272.4 million, partially offset by a decrease from working capital activities of \$82.9 million. Adjustments for non-cash items and gains from investing activities primarily consist of \$76.9 million of deferred income taxes, \$66.6 million of impairments related to long-term investments, \$61.2 million of depreciation, \$59.6 million of stock-based compensation expense and \$57.9 million of amortization of intangibles, partially offset by \$45.0 million of excess tax benefits from stock-based awards, a \$21.9 million adjustment related to gains on sales of a business and long-term investments and \$13.4 million in acquisition-related contingent consideration fair value adjustments. The deferred income tax provision primarily relates to a net reduction in deferred tax

assets related to the expiration of statutes of limitations for federal income taxes for the years 2001 through 2009. The changes from working capital activities consist of a decrease in income taxes payable of \$94.5 million and an increase in accounts receivable of \$19.9 million, partially offset by an increase in deferred revenue of \$30.1 million. The decrease in income taxes payable is primarily due to a net reduction in tax reserves related to the expiration of statutes of limitations for federal income taxes for the years 2001 through 2009, partially offset by current year income tax accruals in excess of current year income tax payments. The increase in accounts receivable is primarily due to revenue growth at HomeAdvisor. The increase in deferred revenue is due to increases related to acquisitions and growth in membership and subscription revenue at Match Group and Vimeo, respectively.

Net cash used in investing activities attributable to continuing operations in 2014 includes acquisitions of \$259.4 million, which include the ValueClick O&O website businesses, The Princeton Review, SlimWare and FriendScout24, purchases of marketable debt securities, net of proceeds from maturities and sales of \$154.2 million, capital expenditures of \$57.2 million primarily related to the internal development of software to support our products and services, and investments of \$24.3 million, partially offset by \$58.4 million of proceeds from the sales of a business and long-term investments.

Net cash used in financing activities attributable to continuing operations in 2014 includes \$97.3 million related to the payment of cash dividends to IAC shareholders, \$33.2 million for the purchase of noncontrolling interests in Tinder and Meetic, and \$8.1 million in contingent consideration payments related principally to the 2013 Twoo acquisition, partially offset by excess tax benefits from stock-based awards of \$45.0 million and the return of \$12.4 million of funds held in escrow related to the Meetic tender offer.

2013

Net cash provided by operating activities attributable to continuing operations in 2013 consists of earnings from continuing operations of \$281.8 million, adjustments for non-cash items and gains from investing activities totaling \$110.6 million, and an increase from working capital activities of \$18.5 million. Adjustments for non-cash items and gains on investing activities primarily consist of \$59.8 million of amortization of intangibles, \$58.9 million of depreciation and \$53.0 million of stock-based compensation expense, partially offset by a \$50.6 million adjustment related to gains on sales of long-term investments and assets and \$32.9 million of excess tax benefits from stock-based awards. The changes from working capital activities consist of an increase in income taxes payable of \$49.2 million and a decrease in accounts receivable of \$10.4 million partially offset by an increase of \$34.6 million in other assets. The increase in income taxes payable is due to current year income tax accruals in excess of current year income tax payments. The decrease in accounts receivable is primarily due to a \$14.8 million decrease in accounts receivable related to Newsweek's transition to a digital only publication and our services agreement with Google; the related receivable from Google declined from \$125.3 million at December 31, 2012 to \$112.3 million at December 31, 2013, mainly due to lower year-over-year December revenue. These decreases were partially offset by an increase in accounts receivable at Electus due to higher revenue. The increase in other assets was primarily due to an increase in short-term and long-term production costs at certain of our media businesses that are capitalized as the television program, video or film is being produced.

Net cash used in investing activities attributable to continuing operations in 2013 includes acquisitions of \$40.4 million, which include Twoo, capital expenditures of \$80.3 million, which include \$23.6 million related to the purchase of a 50% ownership interest in an aircraft and investments of \$51.1 million, partially offset by net maturities and sales of marketable debt securities and sales of long-term investments and assets of \$95.6 million.

Net cash provided by financing activities attributable to continuing operations in 2013 includes \$500.0 million in proceeds from the issuance of our 2013 Senior Notes and excess tax benefits from stock-based awards of \$32.9 million, partially offset by \$264.2 million for the repurchase of 4.5 million shares of common stock at an average price of \$50.63 per share, \$79.2 million related to the payment of cash dividends to IAC shareholders, \$71.5 million held in escrow related to the Meetic tender offer, \$67.9 million for the purchase of noncontrolling interests in Meetic and a subsidiary of HomeAdvisor, \$15.8 million for the payment of our 2002 Senior Notes, which were due January 15, 2013, and \$7.4 million of debt issuance costs associated with our 2013 Senior Notes.

Liquidity and Capital Resources

The Company's principal sources of liquidity are its cash and cash equivalents and marketable securities as well as cash flows generated from operations. IAC has a \$300 million revolving credit facility that was amended and restated on October 7, 2015, and now expires on October 7, 2020 (the "IAC Credit Facility"). The obligations under the IAC Credit Facility are secured by the stock of certain IAC domestic and foreign subsidiaries and unconditionally guaranteed by certain wholly-owned IAC domestic subsidiaries. At December 31, 2015, there were no outstanding borrowings under the IAC Credit Facility. On October 7, 2015, Match Group entered into a credit agreement (the "Match Group Credit Agreement") which provides for a five-year \$500 million revolving credit facility (the "Match Group Credit Facility"). At December 31, 2015, there were no outstanding borrowings under the Match Group Credit Facility.

On November 16, 2015, Match Group completed a private exchange offer to eligible holders to exchange any and all of the 2012 Senior Notes for up to \$500 million aggregate principal amount of Match Group Senior Notes issued by Match Group ("Match Exchange Offer"). Match Group exchanged \$445.3 million of 2012 Senior Notes for \$445.2 million of Match Group Senior Notes pursuant to the Match Exchange Offer. Promptly following the closing of the Match Exchange Offer, substantially all of the restrictive covenants of the 2012 Senior Notes were removed and Match Group and its subsidiaries were designated as unrestricted subsidiaries of IAC for purposes of the indentures governing the 2013 and 2012 Senior Notes and the IAC Credit Facility. Following the designation, neither Match Group nor any of its subsidiaries guaranteed any debt of IAC, or are subject to any of the covenants related to such debt.

On November 16, 2015, Match Group amended and restated the Match Group Credit Agreement to provide for an \$800 million, seven-year term loan. Principal payments of \$10 million under the Match Group Term Loan are due quarterly through maturity, at which point a final principal payment of \$530 million will become due. Additionally, the Match Group Term Loan may require additional annual principal payments as part of an excess cash flow sweep provision, the amount of which is governed by the net secured leverage ratio. The Match Group Term Loan bears interest, at its option, at either the base rate or LIBOR, plus 3.50% or 4.50%, respectively, with, in the case of LIBOR, a floor of 1.00%. Interest payments are due no less than semi-annually through the term of the loan. The Match Group Term Loan and outstanding borrowings, if any, under the Match Group Credit Facility rank pari-passu with each other, and have priority over the Match Group Senior Notes.

The indenture governing the 2013 Senior Notes restricts our ability to incur additional indebtedness in the event we are not in compliance with the maximum leverage ratio of 3.0 to 1.0. In addition, the terms of the IAC Credit Facility require that we maintain a leverage ratio of not more than 3.25 to 1.0 and restrict our ability to incur additional indebtedness. The indenture governing the Match Group Senior Notes restricts Match Group's ability to incur additional indebtedness in the event they are not in compliance with the maximum leverage ratio of 5.0 to 1.0. Additionally, the terms of the Match Group Credit Facility require Match Group to maintain a leverage ratio of not more than 5.00 to 1.00 and a minimum interest coverage ratio of not less than 2.50 to 1.00. As of December 31, 2015, IAC and Match Group were in compliance with all applicable covenants.

There are additional covenants under the Match Group Credit Facility and the Match Group Term Loan that limit Match Group's ability and the ability of its subsidiaries to, among other things, incur indebtedness, pay dividends or make distributions. While the Match Group Term Loan remains outstanding, these same covenants under the Match Group Credit Agreement are more restrictive than the covenants that are applicable to the Match Group Credit Facility. Obligations under the Match Group Credit Facility and Match Group Term Loan are unconditionally guaranteed by certain wholly-owned Match Group domestic subsidiaries, and are also secured by the stock of certain Match Group domestic and foreign subsidiaries. In addition, Match Group is a separate and distinct legal entity with its own public shareholders and has no obligation to provide the Company with funds. As a result, we may not freely access the cash of Match Group and its subsidiaries. Match Group generated approximately 60%, 41% and 43% of the Company operating cash flow in the years ended December 31, 2015, 2014 and 2013, respectively.

The Company anticipates that it will need to make capital and other expenditures in connection with the development and expansion of its operations. The Company expects that 2016 capital expenditures will be higher than 2015 by approximately 10% to 20%, driven by leasehold improvements related to a new lease for Match Group's corporate headquarters and HomeAdvisor's sales center expansion. At December 31, 2015, IAC had 5.6 million shares remaining in its share repurchase authorization. IAC may purchase shares over an indefinite period of time on the open market and in privately negotiated transactions, depending on those factors IAC management deems relevant at any particular time, including, without limitation, market conditions, share price and future outlook. On February 2, 2016, IAC announced that it had suspended the quarterly cash dividend program. Future declarations of dividends are subject to the determination of IAC's Board of Directors.

The Company believes its and Match Group's existing cash, cash equivalents and marketable securities, together with their expected positive cash flows generated from operations and available borrowing capacity under their respective revolving credit facilities will be sufficient to fund their normal operating requirements, including capital expenditures, debt service, and investing and other commitments for the foreseeable future. The Company's and Match Group's liquidity could be negatively affected by a decrease in demand for our respective products and services. The Company's indebtedness and Match Group's indebtedness could limit our respective abilities to: (i) obtain additional financing to fund working capital needs, acquisitions, capital expenditure or debt service or other requirements; and (ii) use operating cash flow to make acquisitions, capital expenditures, invest in other areas, such as developing properties and exploiting business opportunities. The Company may make additional acquisitions and investments and, as a result, the Company may need to raise additional capital through future debt or equity financing to provide for greater financial flexibility. Additional financing may not be available at all or on terms favorable to us.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

Contractual Obligations ^(a)	Payments Due by Period				Total
	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years	
	(In thousands)				
Long-term debt ^(b)	\$ 143,861	\$ 775,445	\$ 217,870	\$ 1,228,686	\$ 2,365,862
Operating leases ^(c)	33,073	60,791	37,899	200,554	332,317
Purchase obligations ^(d)	784	145	—	—	929
Total contractual cash obligations	<u>\$ 177,718</u>	<u>\$ 836,381</u>	<u>\$ 255,769</u>	<u>\$ 1,429,240</u>	<u>\$ 2,699,108</u>

- (a) The Company has excluded \$41.2 million in unrecognized tax benefits and related interest from the table above as we are unable to make a reasonably reliable estimate of the period in which these liabilities might be paid. For additional information on income taxes, see Note 3 to the consolidated financial statements.
- (b) Represents contractual amounts due including interest on both fixed and variable rate instruments. Long-term debt at December 31, 2015 consists of \$1.0 billion which bears interest at fixed rates and \$800 million ("Match Group Term Loan") which bears interest at variable rates. The Match Group Term Loan currently bears interest at LIBOR plus 4.50%, with a LIBOR floor of 1.00%. The amount of interest ultimately paid on the Match Group Term Loan may differ based on changes in interest rates.
- (c) The Company leases land, office space, data center facilities and equipment used in connection with operations under various operating leases, many of which contain escalation clauses. The Company is also committed to pay a portion of the related operating expenses under a data center lease agreement. These operating expenses are not included in the table above.
- (d) The purchase obligations primarily include advertising commitments.

Other Commercial Commitments ^(e)	Amount of Commitment Expiration Per Period				Total
	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years	
	(In thousands)				
Letters of credit and surety bonds	\$ 1,054	\$ —	\$ 67	\$ 1,437	\$ 2,558

- (e) Commercial commitments are funding commitments that could potentially require registrant performance in the event of demands by third parties or contingent events.

Off-Balance Sheet Arrangements

Other than the items described above, the Company does not have any off-balance sheet arrangements as of December 31, 2015.

IAC'S PRINCIPLES OF FINANCIAL REPORTING

IAC reports Adjusted EBITDA as a supplemental measure to U.S. generally accepted accounting principles ("GAAP"). This measure is one of the primary metrics by which we evaluate the performance of our businesses, on which our internal budgets are based and by which management is compensated. We believe that investors should have access to, and we are obligated to provide, 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. IAC endeavors to compensate for the limitations of the non-GAAP measure presented by providing the comparable GAAP measure with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measure. We encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measure, which we discuss below.

Definition of IAC's Non-GAAP Measure

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is defined as operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of (i) amortization of intangible assets and impairments of goodwill and intangible assets and (ii) gains and losses recognized on changes in the fair value of contingent consideration arrangements. We believe this measure is useful for analysts and investors as this measure allows a more meaningful comparison between our performance and that of our competitors. Moreover, our management uses this measure internally to evaluate the performance of our business as a whole and our individual business segments. The above items are excluded from our Adjusted EBITDA measure because these items are non-cash in nature, and we believe that by excluding these items, Adjusted EBITDA corresponds more closely to the cash operating income generated from our business, from which capital investments are made and debt is serviced. Adjusted EBITDA has certain limitations in that it does not take into account the impact to IAC's statement of operations of certain expenses.

Non-Cash Expenses That Are Excluded From IAC's Non-GAAP Measure

Stock-based compensation expense consists principally of expense associated with the grants, including unvested grants assumed in acquisitions, of stock options, restricted stock units ("RSUs") and performance-based RSUs. These expenses are not paid in cash, and we include the related shares in our fully diluted shares outstanding using the treasury stock method; however, performance-based RSUs are included only to the extent the performance criteria have been met (assuming the end of the reporting period is the end of the contingency period). Upon the exercise of certain stock options and vesting of RSUs and performance-based RSUs, the awards are settled, at the Company's discretion, on a net basis, with the Company remitting the required tax-withholding amount from its current funds.

Depreciation is a non-cash expense relating to our property and equipment and is computed using the straight-line method to allocate the cost of depreciable assets to operations over their estimated useful lives.

Amortization of intangible assets and impairments of goodwill and intangible assets are non-cash expenses related primarily to acquisitions. At the time of an acquisition, the identifiable definite-lived intangible assets of the acquired company, such as content, technology, customer lists, advertiser and supplier relationships, are valued and amortized over their estimated lives. Value is also assigned to acquired indefinite-lived intangible assets, which comprise trade names and trademarks, and goodwill that are not subject to amortization. An impairment is recorded when the carrying value of an intangible asset or goodwill exceeds its fair value. We believe that intangible assets represent costs incurred by the acquired company to build value prior to acquisition and the related amortization and impairment charges of intangible assets or goodwill, if applicable, are not ongoing costs of doing business.

Gains and losses recognized on changes in the fair value of contingent consideration arrangements are accounting adjustments to report contingent consideration liabilities at fair value. These adjustments can be highly variable and are excluded from our assessment of performance because they are considered non-operational in nature and, therefore, are not indicative of current or future performance or ongoing costs of doing business.

RECONCILIATION OF ADJUSTED EBITDA

For a reconciliation of Adjusted EBITDA to operating income (loss) by reportable segment and to net earnings attributable to IAC shareholders for the years ended December 31, 2015, 2014 and 2013, see Note 13 to the consolidated financial statements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The following disclosure is provided to supplement the descriptions of IAC's accounting policies contained in Note 2 to the consolidated financial statements in regard to significant areas of judgment. Management of the Company is required to make certain estimates, judgments and assumptions during the preparation of its consolidated financial statements in accordance with U.S. generally accepted accounting principles. These estimates, judgments and assumptions impact the reported amount of assets, liabilities, revenue and expenses and the related disclosure of contingent assets and liabilities. 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. What follows is a discussion of some of our more significant accounting policies and estimates.

Business Combinations

The purchase price of each acquisition is attributed to the assets acquired and liabilities assumed based on their fair values at the date of acquisition, including identifiable intangible assets that either arise from a contractual or legal right or are separable from goodwill. The fair value of these intangible assets is based on detailed valuations that use information and assumptions provided by management. The excess purchase price over the net tangible and identifiable intangible assets is recorded as goodwill.

In connection with some business combinations, the Company has entered into contingent consideration arrangements that are determined to be part of the purchase price. Each of these arrangements are recorded at its fair value at the time of the acquisition and reflected at current fair value for each subsequent reporting period thereafter until settled. The contingent consideration arrangements are generally based upon earnings performance and/or operating metrics such as monthly active users. The Company determines the fair value of the contingent consideration arrangements by using probability-weighted analyses to determine the amounts of the gross liability, and, if the arrangement is long-term in nature, applying a discount rate that appropriately captures the risk associated with the obligation to determine the net amount reflected in the consolidated financial statements. Determining the fair value of these arrangements is inherently difficult and subjective. Significant changes in forecasted earnings or operating metrics would result in a significantly higher or lower fair value measurement and can have a material impact on our consolidated financial statements. The changes in the estimated fair value of the contingent consideration arrangements each reporting period, including the accretion of the discount, if applicable, are recognized in "General and administrative expense" in the accompanying consolidated statement of operations. See Note 7 for a discussion of contingent consideration arrangements.

Recoverability of Goodwill and Indefinite-Lived Intangible Assets

Goodwill and indefinite-lived intangible assets, which consist of the Company's acquired trade names and trademarks, are assessed annually for impairment 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 or the fair value of an indefinite-lived intangible asset below its carrying value. The annual assessments identified impairment charges in 2015 related to the Publishing and ShoeBuy reporting units. These impairment charges are more fully described above in "Results of Operations for the Years Ended December 31, 2015, 2014 and 2013." The 2014 and 2013 annual assessments identified no material impairments. The value of goodwill and indefinite-lived intangible assets that is subject to annual assessment for impairment is \$2.2 billion and \$380.1 million, respectively, at December 31, 2015.

The Company has the option to qualitatively assess whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. For the Company's annual goodwill test at October 1, 2015, a quantitative assessment of the Match Group, Publishing, Applications, ShoeBuy and PriceRunner reporting units' goodwill was performed. A qualitative assessment of the HomeAdvisor, Connected Ventures, and DailyBurn reporting units' goodwill was performed. When the Company elects to perform a qualitative assessment and concludes it is not more likely than not that the fair value of the reporting unit is less than its carrying value, no further assessment of that reporting unit's goodwill is necessary; otherwise goodwill must be tested for impairment using a two-step process.

The first step involves a comparison of the estimated fair value of each of the Company's reporting units to its carrying value, including goodwill. In performing the first step, the Company determines the fair value of a reporting unit using both an income approach based on discounted cash flows ("DCF") and a market approach. Determining fair value using a DCF analysis requires the exercise of significant judgment with respect to several items, including judgment about the amount and timing of expected future cash flows and appropriate discount rates. The expected cash flows used in the DCF analyses are based on the Company's most recent budget and, for years beyond the budget, the Company's estimates, which are based, in part, on forecasted growth rates. The discount rates used in the DCF analyses are intended to reflect the risks inherent in the expected future cash flows of the respective reporting units. Assumptions used in the DCF analyses, including the discount rate, are assessed annually based on the reporting units' current results and forecast, as well as macroeconomic and industry specific factors. The discount rates used in the Company's annual goodwill impairment assessment ranged from 12% to 22% in 2015 and 13% to 19% in 2014. Determining fair value using a market approach considers multiples of financial metrics based

on both acquisitions and trading multiples of a selected peer group of companies. From the comparable companies, a representative market multiple is determined which is applied to financial metrics to estimate the fair value of a reporting unit. To determine a peer group of companies for our respective reporting units, we considered companies relevant in terms of consumer use, monetization model, margin and growth characteristics and brand strength operating in their respective sectors.

If the estimated fair value of a reporting unit exceeds its carrying value, goodwill of the reporting unit is not impaired and the second step of the impairment test is not necessary. If the carrying value of a reporting unit exceeds its estimated fair value, then the second step of the goodwill impairment test must be performed. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with its carrying value to measure the amount of impairment, if any. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. In other words, the estimated fair value of the reporting unit is allocated to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the purchase price paid. If the carrying value of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment is recognized in an amount equal to that excess.

Any impairment charge that might result in the future would be determined based upon the excess of the carrying value of goodwill over its implied fair value using the second step of the impairment analysis that is described above but, in any event, would not be expected to be lower than the excess of the carrying value of the reporting unit over its fair value. A primary driver in the DCF valuation analyses and the determination of the fair values of the Company's reporting units is the estimate of future revenue and profitability. Generally, the Company would expect an impairment if forecasted revenue and profitability are no longer expected to be achieved and as a result, the carrying value of a reporting unit(s) exceeds its fair value. This assessment would be based, in part, upon the performance of its businesses relative to budget, the Company's assessment of macroeconomic factors, industry and competitive dynamics and the strategies of its businesses in response to these factors.

At October 1, 2015, the date of our most recent annual impairment assessment, the fair value of the Company's reporting units exceeded their carrying values by more than 20% with the exception of Publishing and ShoeBuy. To illustrate the magnitude of a potential impairment charge relative to future changes in estimated fair value, had the estimated fair value of Publishing and ShoeBuy been hypothetically lower by 10% and 20% as of October 1, 2015, the carrying value of Publishing would have exceeded its fair value by approximately \$20 million and \$60 million, respectively, and the carrying value of ShoeBuy would have exceeded its fair value by approximately \$1 million and \$5 million, respectively.

While the Company has the option to qualitatively assess whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying value, the Company's policy is to determine the fair value of each of its indefinite-lived intangible assets annually as of October 1. The Company determines the fair value of indefinite-lived intangible assets are determined using an avoided royalty DCF valuation analysis. Significant judgments inherent in this analysis include the selection of appropriate royalty and discount rates and estimating the amount and timing of expected future cash flows. The discount rates used in the DCF analyses are intended to reflect the risks inherent in the expected future cash flows generated by the respective intangible assets. The royalty rates used in the DCF analyses are based upon an estimate of the royalty rates that a market participant would pay to license the Company's trade names and trademarks. Assumptions used in the avoided royalty DCF analyses, including the discount rate and royalty rate, are assessed annually based on the actual and projected cash flows related to the asset, as well as macroeconomic and industry specific factors. The discount rates used in the Company's annual indefinite-lived impairment assessment ranged from 11% to 16% in 2015 and 10% to 20% in 2014, and the royalty rates used ranged from 1% to 9% in both 2015 and 2014.

Recoverability of Long-Lived Assets

We review the carrying value of all long-lived assets, comprising 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 not be recoverable. The carrying value 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 value is deemed not to be recoverable, an impairment loss is recorded equal to the amount by which the carrying value of the long-lived asset exceeds its fair value. During 2013 the Company wrote off certain capitalized software costs. This charge is more fully described above in "Results of Operations for the Years Ended December 31, 2015, 2014 and 2013 - Depreciation." The carrying value of property and equipment and definite-lived intangible assets is \$363.5 million at December 31, 2015.

Income Taxes

We recognize liabilities for uncertain tax positions based on the two-step process. 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 which 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. At December 31, 2015, the Company has unrecognized tax benefits of \$43.4 million, including interest. Changes to reserves from period to period and differences between amounts paid, if any, upon resolution of issues raised in audits and amounts previously provided may be material. Differences between the reserves for income tax contingencies and the amounts owed by the Company are recorded in the period they become known.

The Company accounts for income taxes 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 values of existing assets and liabilities and their respective tax bases. 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. As of December 31, 2015, the balance of deferred tax liabilities, net, is \$346.8 million. 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 various tax authorities, as well as actual operating results of the Company that vary significantly from anticipated results.

Stock-Based Compensation

As disclosed in Note 12 to the consolidated financial statements, the Company estimated the fair value of stock options issued in 2015, 2014 and 2013 using a Black-Scholes option pricing model and, for those with a market condition, a lattice model. For stock options, including subsidiary denominated equity, the value of the stock option is measured at the grant date at fair value and expensed over the vesting term. The impact on stock-based compensation expense for the year ended December 31, 2015, assuming a 1% increase in the risk-free interest rate, a 10% increase in the volatility factor and a one year increase in the weighted average expected term of the outstanding options would be an increase of \$4.6 million, \$21.2 million and \$10.3 million, respectively. The impact on stock-based compensation expense for the year ended December 31, 2015, assuming a zero dividend yield on the outstanding options, would be an increase of \$3.2 million. The Company also issues RSUs and performance-based RSUs. For RSUs issued, the value of the instrument is measured at the grant date as the fair value of IAC common stock and expensed as stock-based compensation expense over the vesting term. For performance-based RSUs issued, the value of the instrument is measured at the grant date as the fair value of IAC common stock and expensed as stock-based compensation over the vesting term when the performance targets are considered probable of being achieved.

Marketable Securities and Long-term Investments

At December 31, 2015, marketable securities consist of short-to-medium-term debt securities issued by investment grade corporate issuers and an equity security. Long-term investments include equity securities accounted for under the equity and cost methods and marketable equity securities. The Company invests in marketable debt securities with active secondary or resale markets to ensure portfolio liquidity to fund current operations or satisfy other cash requirements as needed. The Company also invests in marketable equity securities as part of its investment strategy.

Marketable securities are adjusted to fair value each quarter, and the unrealized gains and losses, net of tax, are included in accumulated other comprehensive income as a separate component of shareholders' equity. The specific-identification method is used to determine the cost of securities sold and the amount of unrealized gains and losses reclassified out of accumulated other comprehensive income into earnings. The Company recognizes unrealized losses on marketable securities in net earnings when the losses are determined to be other-than-temporary. Additionally, the Company evaluates each cost and equity method investment for indicators of impairment on a quarterly basis, and recognizes an impairment loss if the decline in value is deemed to be other-than-temporary. Future events may result in reconsideration of the nature of losses as other-than-temporary and market and other factors may cause the value of the Company's investments to decline.

The Company employs a methodology that considers available evidence in evaluating potential other-than-temporary impairments of its investments. Investments are considered to be impaired when a decline in fair value below the amortized cost basis is determined to be other-than-temporary. Such impairment evaluations include, but are not limited to: the length of time and extent to which fair value has been less than the cost basis, the current business environment, including competition; going concern considerations such as financial condition, the rate at which the investee utilizes cash and the investee's ability to obtain additional financing to achieve its business plan; the need for changes to the investee's existing business model due to changing business and regulatory environments and its ability to successfully implement necessary changes; and comparable valuations. During 2015, 2014 and 2013, the Company recognized other-than-temporary impairments of \$6.7 million, \$66.6 million and \$5.0 million, respectively, related to cost method investments. These charges are more fully described above in "Results of Operations for the Years Ended December 31, 2015, 2014 and 2013 - Other income (expense), net."

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, see Note 2 — Summary of Significant Accounting Policies in the notes to consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's cash equivalents, marketable debt securities and long-term debt, including current maturities.

The Company invests its excess cash in certain cash equivalents and marketable debt securities, which consist of money market funds, short-to-medium-term debt securities issued by investment grade corporate issuers and an equity security. The Company employs a methodology that considers available evidence in evaluating potential other-than-temporary impairments of its investments. Investments are considered to be impaired when a decline in fair value below the amortized cost basis is determined to be other-than-temporary. If a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded in current earnings and a new cost basis in the investment is established. During the second quarter of 2015, the Company recognized \$0.3 million in losses that were deemed to be other-than-temporary related to various corporate debt securities that were expected to be sold by the Company, in part, to fund its cash needs related to Match Group's acquisition of PlentyOfFish. During 2014 and 2013, the Company did not record any other-than-temporary impairment charges related to its cash equivalents and marketable debt securities.

Based on the Company's total investment in marketable debt securities at December 31, 2015, a 100 basis point increase or decrease in the level of interest rates would, respectively, decrease or increase the fair value of these securities by \$0.3 million. Such potential increase or decrease in fair value is based on certain simplifying assumptions, including a constant level and rate of debt securities and an immediate across-the-board increase or decrease in the level of interest rates with no other subsequent changes for the remainder of the period. Conversely, since almost all of the Company's cash and cash equivalents balance of \$1.5 billion was invested in short-term fixed or variable rate money market instruments, the Company would also earn more (less) interest income due to such an increase (decrease) in interest rates.

At December 31, 2015, the Company's outstanding debt was \$1.8 billion, including \$40.0 million of current maturities, of which \$1.0 billion bears interest at fixed rates and \$800 million bears interest at variable rates. If market rates decline, the Company runs the risk that the related required payments on the fixed rate debt will exceed those based on market rates. A 100 basis point increase or decrease in the level of interest rates would, respectively, decrease or increase the fair value of the fixed-rate debt by \$40.9 million. Such potential increase or decrease in fair value is based on certain simplifying assumptions, including a constant level and rate of fixed-rate debt for all maturities and an immediate across-the-board increase or decrease in the level of interest rates with no other subsequent changes for the remainder of the period. The Match Group Term Loan currently bears interest at LIBOR plus 4.50%, with a LIBOR floor of 1.00%. LIBOR at December 31, 2015 for similar borrowings of three months was approximately 60 basis points. If LIBOR were to increase by 100 basis points then the annual interest payments on the Match Group Term Loan would increase by 60 basis points, or \$4.8 million in 2016. If LIBOR decreased 60 basis points to zero, annual interest payments on the Match Group Term Loan would remain the same. Such potential changes in interest payments are based on quarterly amortization and certain simplifying assumptions, including a constant rate of variable-rate debt for all maturities and an immediate across-the-board increase or decrease in the level of interest rates with no other subsequent changes for the remainder of the period.

Foreign Currency Exchange Risk

The Company conducts business in certain foreign markets, primarily in the European Union. For the year ended December 31, 2015, international revenue accounted for 26% of consolidated revenue. The Company's primary exposure to foreign currency exchange risk relates to investments in foreign subsidiaries that transact business in a functional currency other than the U.S. Dollar, primarily the Euro. As foreign currency exchange rates change, translation of the statements of operations of the Company's international businesses into U.S. dollars affects year-over-year comparability of operating results. The average Euro versus the U.S. Dollar exchange rate was 16% lower in 2015 than 2014. The decrease had a significant impact to the revenue of Match Group. For the year ended December 31, 2015, Match Group revenue, Dating revenue and Dating International revenue would have increased approximately 20%, 15% and 21%, respectively, as compared to the reported increases of 15%, 9% and 3%, respectively, had the foreign currency exchange rates been the same as 2014.

Foreign exchange gains and losses were not material to the Company's earnings in 2015, 2014 and 2013. Historically, the Company has not hedged foreign currency exposures. Our continued international expansion increases our exposure to exchange rate fluctuations and as a result such fluctuations could have a significant impact on our future results of operations.

Item 8. Consolidated Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of IAC/InterActiveCorp

We have audited the accompanying consolidated balance sheet of IAC/InterActiveCorp and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2015. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of IAC/InterActiveCorp and subsidiaries as of December 31, 2015 and 2014, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), IAC/InterActiveCorp's internal control over financial reporting as of December 31, 2015, based on criteria established in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 29, 2016 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

New York, New York
February 29, 2016

IAC/INTERACTIVECORP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

	December 31,	
	2015	2014
(In thousands, except share data)		
ASSETS		
Cash and cash equivalents	\$ 1,481,447	\$ 990,405
Marketable securities	39,200	160,648
Accounts receivable, net of allowance of \$16,528 and \$12,437, respectively	250,077	236,086
Other current assets	174,286	148,749
Total current assets	1,945,010	1,535,888
Property and equipment, net	302,817	302,459
Goodwill	2,245,364	1,754,926
Intangible assets, net	440,828	491,936
Long-term investments	137,386	114,983
Other non-current assets	138,545	56,693
TOTAL ASSETS	\$ 5,209,950	\$ 4,256,885
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Current portion of long-term debt	\$ 40,000	\$ —
Accounts payable, trade	86,883	81,163
Deferred revenue	258,412	194,988
Accrued expenses and other current liabilities	383,251	397,549
Total current liabilities	768,546	673,700
Long-term debt, net of current maturities	1,748,213	1,080,000
Income taxes payable	33,692	32,635
Deferred income taxes	348,773	391,790
Other long-term liabilities	64,510	45,191
Redeemable noncontrolling interests	30,391	40,427
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Common stock \$.001 par value; authorized 1,600,000,000 shares; issued 254,014,976 and 252,170,058 shares and outstanding 77,245,709 and 78,356,057 shares, respectively	254	252
Class B convertible common stock \$.001 par value; authorized 400,000,000 shares; issued 16,157,499 shares and outstanding 5,789,499 shares	16	16
Additional paid-in capital	11,486,315	11,415,617
Retained earnings	331,394	325,118
Accumulated other comprehensive loss	(152,103)	(87,700)
Treasury stock 187,137,267 and 184,182,001 shares, respectively	(9,861,350)	(9,661,350)
Total IAC shareholders' equity	1,804,526	1,991,953
Noncontrolling interests	411,299	1,189
Total shareholders' equity	2,215,825	1,993,142
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 5,209,950	\$ 4,256,885

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC/INTERACTIVECORP AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS

	Years Ended December 31,		
	2015	2014	2013
	(In thousands, except per share data)		
Revenue	\$ 3,230,933	\$ 3,109,547	\$ 3,022,987
Operating costs and expenses:			
Cost of revenue (exclusive of depreciation shown separately below)	778,161	860,204	977,357
Selling and marketing expense	1,345,576	1,147,409	982,774
General and administrative expense	525,629	443,610	378,142
Product development expense	185,766	160,515	139,759
Depreciation	62,205	61,156	58,909
Amortization of intangibles	139,952	57,926	59,843
Goodwill impairment	14,056	—	—
Total operating costs and expenses	3,051,345	2,730,820	2,596,784
Operating income	179,588	378,727	426,203
Equity in earnings (losses) of unconsolidated affiliates	772	(9,697)	(6,615)
Interest expense	(73,636)	(56,314)	(33,596)
Other income (expense), net	36,149	(42,787)	30,309
Earnings from continuing operations before income taxes	142,873	269,929	416,301
Income tax provision	(29,516)	(35,372)	(134,502)
Earnings from continuing operations	113,357	234,557	281,799
Earnings from discontinued operations, net of tax	17	174,673	1,926
Net earnings	113,374	409,230	283,725
Net loss attributable to noncontrolling interests	6,098	5,643	2,059
Net earnings attributable to IAC shareholders	\$ 119,472	\$ 414,873	\$ 285,784
Per share information attributable to IAC shareholders:			
Basic earnings per share from continuing operations	\$ 1.44	\$ 2.88	\$ 3.40
Diluted earnings per share from continuing operations	\$ 1.33	\$ 2.71	\$ 3.27
Basic earnings per share	\$ 1.44	\$ 4.98	\$ 3.42
Diluted earnings per share	\$ 1.33	\$ 4.68	\$ 3.29
Dividends declared per share	\$ 1.36	\$ 1.16	\$ 0.96
Stock-based compensation expense by function:			
Cost of revenue	\$ 1,210	\$ 949	\$ 2,863
Selling and marketing expense	10,186	2,144	2,813
General and administrative expense	82,798	49,862	42,487
Product development expense	11,256	6,679	4,842
Total stock-based compensation expense	\$ 105,450	\$ 59,634	\$ 53,005

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC/INTERACTIVECORP AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Net earnings	\$ 113,374	\$ 409,230	\$ 283,725
Other comprehensive (loss) income, net of tax:			
Change in foreign currency translation adjustment	(68,844)	(66,874)	7,353
Change in unrealized gains and losses of available-for-sale securities (net of tax provision of \$576 in 2015 and tax benefits of \$1,852 and \$3,050 in 2014 and 2013, respectively)	3,140	(8,591)	15,442
Total other comprehensive (loss) income	(65,704)	(75,465)	22,795
Comprehensive income	47,670	333,765	306,520
Comprehensive loss (income) attributable to noncontrolling interests	7,399	6,454	(1,613)
Comprehensive income attributable to IAC shareholders	\$ 55,069	\$ 340,219	\$ 304,907

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC/INTERACTIVECORP AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

		IAC Shareholders' Equity										
	Redeemable Noncontrolling Interests	Common Stock \$.001 Par Value		Class B Convertible Common Stock \$.001 Par Value		Additional Paid-in Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total IAC Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
		\$	Shares	\$	Shares							
(In thousands)												
Balance as of December 31, 2012	\$ 58,126	\$ 251	250,982	\$ 16	16,157	\$ 11,607,367	\$ (318,519)	\$ (32,169)	\$ (9,601,218)	\$ 1,655,728	\$ 51,907	\$ 1,707,635
Net (loss) earnings for the year ended December 31, 2013	(3,264)	—	—	—	—	—	285,784	—	—	285,784	1,205	286,989
Other comprehensive income, net of tax	2,305	—	—	—	—	—	—	19,123	—	19,123	1,367	20,490
Stock-based compensation expense	—	—	—	—	—	51,883	—	—	—	51,883	1,122	53,005
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	—	—	—	—	(9,899)	—	—	2	(9,897)	—	(9,897)
Income tax benefit related to stock-based awards	—	—	—	—	—	30,986	—	—	—	30,986	—	30,986
Dividends	—	—	—	—	—	(77,830)	—	—	—	(77,830)	—	(77,830)
Purchase of treasury stock	—	—	—	—	—	—	—	—	(229,101)	(229,101)	—	(229,101)
Purchase of redeemable noncontrolling interests	(55,576)	—	—	—	—	—	—	—	—	—	—	—
Purchase of noncontrolling interests	—	—	—	—	—	—	—	—	—	—	(12,371)	(12,371)
Adjustment of redeemable noncontrolling interests and noncontrolling interests to fair value	40,638	—	—	—	—	(42,947)	—	—	—	(42,947)	2,309	(40,638)
Transfer from noncontrolling interests to redeemable noncontrolling interests	2,874	—	—	—	—	—	—	—	—	—	(2,874)	(2,874)
Other	(2,242)	—	—	—	—	3,007	—	—	—	3,007	—	3,007
Balance as of December 31, 2013	\$ 42,861	\$ 251	250,982	\$ 16	16,157	\$ 11,562,567	\$ (32,735)	\$ (13,046)	\$ (9,830,317)	\$ 1,686,736	\$ 42,665	\$ 1,729,401
Net (loss) earnings for the year ended December 31, 2014	(5,643)	—	—	—	—	—	414,873	—	—	414,873	—	414,873
Other comprehensive (loss) income, net of tax	(914)	—	—	—	—	—	—	(74,654)	—	(74,654)	103	(74,551)
Stock-based compensation expense	558	—	—	—	—	59,362	—	—	—	59,362	(286)	59,076
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	1	1,188	—	—	(167,340)	—	—	168,967	1,628	—	1,628
Income tax benefit related to stock-based awards	—	—	—	—	—	37,451	—	—	—	37,451	—	37,451
Dividends	—	—	—	—	—	(39,557)	(57,020)	—	—	(96,577)	—	(96,577)
Noncontrolling interests related to acquisitions	17,886	—	—	—	—	—	—	—	—	—	—	—
Purchase of redeemable noncontrolling interests	(41,743)	—	—	—	—	—	—	—	—	—	—	—
Purchase of noncontrolling interests	—	—	—	—	—	—	—	—	—	—	(50,662)	(50,662)
Adjustment of redeemable noncontrolling interests and noncontrolling interests to fair value	27,750	—	—	—	—	(37,119)	—	—	—	(37,119)	9,369	(27,750)
Other	(328)	—	—	—	—	253	—	—	—	253	—	253
Balance as of December 31, 2014	\$ 40,427	\$ 252	252,170	\$ 16	16,157	\$ 11,415,617	\$ 325,118	\$ (87,700)	\$ (9,661,350)	\$ 1,991,953	\$ 1,189	\$ 1,993,142

IAC/INTERACTIVECORP AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (Continued)

		IAC Shareholders' Equity										
	Redeemable Noncontrolling Interests	Common Stock \$.001 Par Value		Class B Convertible Common Stock \$.001 Par Value		Additional Paid-in Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total IAC Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
		\$	Shares	\$	Shares							
(In thousands)												
Net (loss) earnings for the year ended December 31, 2015	\$ (7,737)	\$ —	—	\$ —	—	\$ —	\$ 119,472	\$ —	\$ —	\$ 119,472	\$ 1,639	\$ 121,111
Other comprehensive loss, net of tax	(1,301)	—	—	—	—	—	—	(64,403)	—	(64,403)	—	(64,403)
Stock-based compensation expense	6,725	—	—	—	—	87,685	—	—	—	87,685	4,808	92,493
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	2	1,845	—	—	(37,733)	—	—	—	(37,731)	—	(37,731)
Income tax benefit related to stock-based awards	—	—	—	—	—	44,577	—	—	—	44,577	—	44,577
Dividends	—	—	—	—	—	—	(113,196)	—	—	(113,196)	—	(113,196)
Purchase of treasury stock	—	—	—	—	—	—	—	—	(200,000)	(200,000)	—	(200,000)
Purchase of redeemable noncontrolling interests	(32,207)	—	—	—	—	—	—	—	—	—	—	—
Adjustment of redeemable noncontrolling interests to fair value	23,155	—	—	—	—	(23,155)	—	—	—	(23,155)	—	(23,155)
Noncontrolling interests related to Match IPO, net of fees and expenses	—	—	—	—	—	—	—	—	—	—	428,283	428,283
Repurchase of stock-based awards	—	—	—	—	—	—	—	—	—	—	(23,431)	(23,431)
Transfer from noncontrolling interests to redeemable noncontrolling interests	1,189	—	—	—	—	—	—	—	—	—	(1,189)	(1,189)
Other	140	—	—	—	—	(676)	—	—	—	(676)	—	(676)
Balance as of December 31, 2015	\$ 30,391	\$ 254	254,015	\$ 16	16,157	\$ 11,486,315	\$ 331,394	\$ (152,103)	\$ (9,861,350)	\$ 1,804,526	\$ 411,299	\$ 2,215,825

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC/INTERACTIVECORP AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

	Years Ended December 31,		
	2015	2014	2013
(In thousands)			
Cash flows from operating activities attributable to continuing operations:			
Net earnings	\$ 113,374	\$ 409,230	\$ 283,725
Less: earnings from discontinued operations, net of tax	17	174,673	1,926
Earnings from continuing operations	113,357	234,557	281,799
Adjustments to reconcile earnings from continuing operations to net cash provided by operating activities attributable to continuing operations:			
Stock-based compensation expense	105,450	59,634	53,005
Depreciation	62,205	61,156	58,909
Amortization of intangibles	139,952	57,926	59,843
Impairment of long-term investments	6,689	66,601	5,268
Goodwill impairment	14,056	—	—
Excess tax benefits from stock-based awards	(56,418)	(44,957)	(32,891)
Deferred income taxes	(59,786)	76,869	(9,096)
Equity in (earnings) losses of unconsolidated affiliates	(772)	9,697	6,615
Acquisition-related contingent consideration fair value adjustments	(15,461)	(13,367)	343
Gain on real estate transaction	(34,341)	—	—
Gains on sales of long-term investments, assets and a business	(1,005)	(21,946)	(50,608)
Other adjustments, net	26,496	20,789	19,254
Changes in assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(29,680)	(19,918)	10,421
Other assets	(21,174)	(3,606)	(34,632)
Accounts payable and other current liabilities	8,989	5,206	(766)
Income taxes payable	24,167	(94,492)	49,191
Deferred revenue	66,914	30,142	(5,841)
Other changes in assets and liabilities, net	(233)	(243)	147
Net cash provided by operating activities attributable to continuing operations	349,405	424,048	410,961
Cash flows from investing activities attributable to continuing operations:			
Acquisitions, net of cash acquired	(617,402)	(259,391)	(40,434)
Capital expenditures	(62,049)	(57,233)	(80,311)
Proceeds from maturities and sales of marketable debt securities	218,462	21,644	12,502
Purchases of marketable debt securities	(93,134)	(175,826)	—
Proceeds from sales of long-term investments, assets and a business	9,413	58,388	83,091
Purchases of long-term investments	(34,470)	(24,334)	(51,080)
Other, net	(3,541)	(3,042)	(3,529)
Net cash used in investing activities attributable to continuing operations	(582,721)	(439,794)	(79,761)
Cash flows from financing activities attributable to continuing operations:			
Borrowings under Match Group Term Loan	788,000	—	—
Debt issuance costs	(19,050)	(383)	(7,399)
Fees and expenses related to note exchange	(6,954)	—	—
Proceeds from issuance of long-term debt	—	—	500,000
Principal payments on long-term debt	(80,000)	—	(15,844)
Proceeds from Match Group initial public offering, net of fees and expenses	428,789	—	—
Purchase of treasury stock	(200,000)	—	(264,214)
Dividends	(113,196)	(97,338)	(79,189)
Issuance of common stock, net of withholding taxes	(38,418)	1,609	(5,077)
Repurchase of stock-based awards	(23,431)	—	—
Excess tax benefits from stock-based awards	56,418	44,957	32,891
Purchase of noncontrolling interests	(32,207)	(33,165)	(67,947)
Acquisition-related contingent consideration payments	(5,750)	(8,109)	(256)
Funds returned from (transferred to) escrow for Meetic tender offer	—	12,354	(71,512)
Other, net	(19,393)	(905)	(3,787)
Net cash provided by (used in) financing activities attributable to continuing operations	734,808	(80,980)	17,666
Total cash provided by (used in) continuing operations	501,492	(96,726)	348,866
Total cash used in discontinued operations	(152)	(145)	(1,877)
Effect of exchange rate changes on cash and cash equivalents	(10,298)	(13,168)	3,478
Net increase (decrease) in cash and cash equivalents	491,042	(110,039)	350,467

Cash and cash equivalents at beginning of period	990,405	1,100,444	749,977
Cash and cash equivalents at end of period	\$ 1,481,447	\$ 990,405	\$ 1,100,444

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—ORGANIZATION

IAC is a leading media and Internet company comprised of some of the world's most recognized brands and products, such as HomeAdvisor, Vimeo, About.com, Dictionary.com, The Daily Beast, Investopedia, and Match Group's online dating portfolio, which includes Match, OkCupid, Tinder and PlentyOfFish.

All references to "IAC," the "Company," "we," "our" or "us" in this report are to IAC/InterActiveCorp.

During the fourth quarter of 2015, IAC realigned itself into the following six reportable segments:

Match Group

Our Match Group segment includes the businesses of Match Group, Inc., which completed its initial public offering ("IPO") on November 24, 2015. As of December 31, 2015, IAC's ownership interest and voting interest in Match Group were 84.6% and 98.2%, respectively.

Our Match Group segment consists of our North America dating business (which includes Match, Chemistry, People Media, PlentyOfFish, OkCupid, Tinder and other dating businesses operating within the United States and Canada), our International dating business (which includes Meetic, the international operations of PlentyOfFish and Tinder and all other dating businesses operating outside of the United States and Canada) and our non-dating business, The Princeton Review.

Through the brands within our dating business, we are a leading provider of membership-based and ad-supported dating products servicing North America, Western Europe and many other countries around the world. We provide these services through websites and applications that we own and operate.

The non-dating business consists of The Princeton Review, which provides a variety of educational test preparation, academic tutoring and college counseling services.

HomeAdvisor

HomeAdvisor is a leading nationwide home services digital marketplace that helps connect consumers with home professionals in the United States, as well as in France and the Netherlands under various brands.

Publishing

The Publishing segment includes our Premium Brands business, which is composed of About.com, Dictionary.com, Investopedia and The Daily Beast; and our Ask & Other business, which is principally composed of Ask.com, CityGrid and ASKfm.

Premium Brands

Our Premium Brands business primarily consists of the following destination websites:

- About.com, which provides detailed information and content written by independent, freelance subject matter experts across hundreds of vertical categories;
- Dictionary.com, which primarily provides online and mobile dictionary, thesaurus and reference services;
- Investopedia, a resource for investment and personal finance education and information; and
- The Daily Beast, a website dedicated to news, commentary, culture and entertainment that curates and publishes existing and original online content from its own roster of contributors in the United States.

Ask & Other

Our Ask & Other business primarily consists of:

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- Ask.com, which provides general search services, as well as question and answer services that provide direct answers to natural-language questions;
- CityGrid, an advertising network that integrates local content and advertising for distribution to affiliated and third party publishers across web and mobile platforms; and
- ASKfm, a questions and answers social network.

Applications

Our Applications segment includes Consumer, which includes our direct-to-consumer downloadable desktop applications, including SlimWare, and Apalon, which houses our mobile applications operations; and Partnerships, which includes our business-to-business partnership operations.

Through our Consumer business, we develop, market and distribute a variety of utility applications, or downloadable desktop applications that offer users the ability to access search services, as well as engage in a number of other activities online. SlimWare is a provider of community-powered software and services that clean, repair, update and optimize personal computers. Apalon is a mobile development company with one of the largest and most popular portfolios of mobile applications worldwide.

Through our Partnerships business, we work closely with partners in the software, media and other industries to design and develop customized browser-based search applications to be bundled and distributed with these partners' products and services.

Video

Our Video segment consists primarily of Vimeo and DailyBurn, as well as Electus, IAC Films, CollegeHumor and Notional.

Vimeo operates a global video sharing platform for creators and their audiences. Through Vimeo, we offer video creators simple, professional grade tools to share, distribute and monetize content online, and provide viewers with a clutter-free environment to watch content across a variety of Internet-enabled devices, including mobile devices and connected television platforms.

DailyBurn is a health and fitness property that provides streaming fitness and workout videos across a variety of platforms, including iOS, Android, Xbox and Internet-enabled television platforms.

Electus provides production and producer services for both unscripted and scripted television, feature film and digital content, primarily for initial sale and distribution in the United States. Our content is distributed on a wide range of platforms, including broadcast television, premium and basic cable television, subscription-based and ad-supported video-on-demand services and through theatrical releases and other outlets. Electus also operates Electus Digital, which consists of the following websites and properties: CollegeHumor.com, Dorkly.com and WatchLOUD.com; YouTube channels WatchLOUD, Nuevon and Hungry; and Big Breakfast (a production company). Through Electus, we also operate Notional.

Other

Our Other segment consists of ShoeBuy, an Internet retailer of footwear and related apparel and accessories, and PriceRunner, a shopping comparison website.

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles ("GAAP").

Basis of Consolidation and Accounting for Investments

The consolidated financial statements include the accounts of the Company, all entities that are wholly-owned by the Company and all entities in which the Company has a controlling financial interest. Intercompany transactions and accounts have been eliminated.

Investments in the common stock or in-substance common stock of entities in which the Company has the ability to exercise significant influence over the operating and financial matters of the investee, but does not have a controlling financial interest, are accounted for using the equity method. Investments in the common stock or in-substance common stock of entities in which the Company does not have the ability to exercise significant influence over the operating and financial matters of the investee are accounted for using the cost method. Investments in companies that IAC does not control, which are not in the form of common stock or in-substance common stock, are also accounted for using the cost method. The Company evaluates each cost and equity method investment for impairment on a quarterly basis and recognizes an impairment loss if a decline in value is determined to be other-than-temporary. Such impairment evaluations include, but are not limited to: the current business environment, including competition; going concern considerations such as financial condition, the rate at which the investee utilizes cash and the investee's ability to obtain additional financing to achieve its business plan; the need for changes to the investee's existing business model due to changing business and regulatory environments and its ability to successfully implement necessary changes; and comparable valuations. If the Company has not identified events or changes in circumstances that may have a significant adverse effect on the fair value of a cost method investment, then the fair value of such cost method investment is not estimated, as it is impracticable to do so.

Accounting Estimates

Management of the Company is required to make certain estimates, judgments and assumptions during the preparation of its consolidated financial statements in accordance with GAAP. These estimates, judgments and assumptions impact the reported amounts of assets, liabilities, revenue and expenses and the related disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

On an ongoing basis, the Company evaluates its estimates and judgments including those related to: the fair values of marketable securities and other investments; the recoverability of goodwill and indefinite-lived intangible assets; the useful lives and recoverability of definite-lived intangible assets and property and equipment; the carrying value of accounts receivable, including the determination of the allowance for doubtful accounts and revenue reserves; the fair value of acquisition-related contingent consideration; the liabilities for uncertain tax positions; the valuation allowance for deferred income tax assets; and the fair value of and forfeiture rates for stock-based awards, among others. The Company bases its estimates and judgments on historical experience, its forecasts and budgets and other factors that the Company considers relevant.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, services are rendered or merchandise is delivered to customers, the fee or price charged is fixed or determinable and collectability is reasonably assured. Deferred revenue is recorded when payments are received, or contractually due, in advance of the Company's rendering of services or delivery of merchandise.

Match Group

Revenue of the dating businesses is substantially derived directly from users in the form of recurring membership fees for subscription-based online personals and related services. Membership revenue is presented net of credits and credit card

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

chargebacks. Revenue is recognized ratably over the terms of the applicable membership, which primarily range from one to six months. Members pay in advance, primarily by using a credit card, and, subject to certain conditions identified in our terms and conditions, all purchases are final and nonrefundable. Deferred revenue is recognized using the straight-line method over the terms of the applicable membership period. Deferred revenue at Dating is \$144.4 million and \$117.9 million at December 31, 2015 and 2014, respectively. Revenue is also earned from online advertising, the purchase of à la carte features and offline events. Online advertising revenue is recognized every time an advertisement is displayed. Revenue from the purchase of à la carte features is recognized based on usage. Revenue and the related expenses associated with offline events are recognized when each event occurs.

Non-dating's revenue consists primarily of fees received directly from students for in-person and online test preparation classes, access to online test preparation materials and individual tutoring services. Fees from classes and access to online materials are recognized over the period of the course and the period of the online access, respectively. Tutoring fees are recognized based on usage. Deferred revenue at Non-dating is \$25.7 million and \$18.0 million at December 31, 2015 and 2014, respectively.

HomeAdvisor

HomeAdvisor's lead acceptance revenue is generated and recognized when an in-network home service professional is delivered a consumer lead. HomeAdvisor's membership subscription revenue is generated through subscription sales to service professionals and is deferred and recognized over the terms of the memberships, which are one month, three months, or one year. HomeAdvisor's website hosting revenue is deferred and recognized over the period of the hosting agreement. Deferred revenue at HomeAdvisor is \$11.9 million and \$4.9 million at December 31, 2015 and 2014, respectively.

Publishing

Publishing's revenue consists principally of advertising revenue, which is generated primarily through the display of paid listings in response to search queries, display advertisements and fees related to paid mobile downloadable applications. The substantial majority of the paid listings that our Publishing businesses display are supplied to us by Google Inc. ("Google") pursuant to our services agreement with Google. Pursuant to this agreement, those of our Publishing businesses that provide search services transmit search queries to Google, which in turn transmits a set of relevant and responsive paid listings back to these businesses for display in search results. This ad-serving process occurs independently of, but concurrently with, the generation of algorithmic search results for the same search queries. Google paid listings are displayed separately from algorithmic search results and are identified as sponsored listings on search results pages. Paid listings are priced on a price per click basis and when a user submits a search query through one of our Publishing businesses and then clicks on a Google paid listing displayed in response to the query, Google bills the advertiser that purchased the paid listing directly and shares a portion of the fee charged to the advertiser with us. We recognize paid listing revenue from Google when it delivers the user's click. In cases where the user's click is generated due to the efforts of a third party distributor, we recognize the amount due from Google as revenue and record a revenue share or other payment obligation to the third party distributor as traffic acquisition costs.

Applications

Substantially all of Applications' revenue consists of advertising revenue generated principally through the display of paid listings in response to search queries. The substantial majority of the paid listings displayed by our Applications businesses are supplied to us by Google in the manner and pursuant to the services agreement described above under "*Publishing*". To a significantly lesser extent, Applications' revenue also consists of fees related to subscription downloadable applications which are recognized over the terms of the applicable subscriptions, primarily one to two years, and fees related to paid mobile downloadable applications and display advertisements, which are recognized at the time of the sale and when the ad is displayed, respectively. Deferred revenue at SlimWare is \$21.0 million and \$14.5 million at December 31, 2015 and 2014, respectively.

Video

Revenue of businesses included in this segment is generated primarily through media production and distribution, subscriptions and advertising. Production revenue is recognized when the production is available for the customer to broadcast

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

or exhibit, subscription fee revenue is recognized over the terms of the applicable subscriptions, which are one month or one year, and advertising revenue is recognized when an ad is displayed or over the period earned. Deferred revenue at Vimeo is \$30.4 million and \$25.4 million at December 31, 2015 and 2014, respectively. Deferred revenue at Electus, CollegeHumor and Notional totals \$24.4 million and \$14.0 million at December 31, 2015 and 2014, respectively.

Other

ShoeBuy's revenue consists of merchandise sales, reduced by incentive discounts and sales returns, and is recognized when delivery to the customer has occurred. Delivery is considered to have occurred when the customer takes title and assumes the risks and rewards of ownership, which is on the date of shipment. Accruals for returned merchandise are based on historical experience. Shipping and handling fees billed to customers are recorded as revenue. The costs associated with shipping goods to customers are recorded as cost of revenue.

PriceRunner's revenue consists principally of advertising revenue that, depending on the terms of the arrangement, is recognized when a user clicks on an ad, or when a user clicks-through on the ad and takes a specified action on the destination site.

Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments, with maturities of less than 91 days from the date of purchase. Domestically, cash equivalents primarily consist of AAA rated money market funds and commercial paper rated A2/P2 or better. Internationally, cash equivalents primarily consist of time deposits and AAA rated money market funds.

Marketable Securities

At December 31, 2015, marketable securities consist of short-to-medium-term debt securities issued by investment grade corporate issuers and an equity security. The Company invests in marketable debt securities with active secondary or resale markets to ensure portfolio liquidity to fund current operations or satisfy other cash requirements as needed. The Company also invests in marketable equity securities as part of its investment strategy. All marketable securities are classified as available-for-sale and are reported at fair value. The unrealized gains and losses on marketable securities, net of tax, are included in accumulated other comprehensive income as a separate component of shareholders' equity. The specific-identification method is used to determine the cost of securities sold and the amount of unrealized gains and losses reclassified out of accumulated other comprehensive income into earnings.

The Company employs a methodology that considers available evidence in evaluating potential other-than-temporary impairments of its investments. Investments are considered to be impaired when a decline in fair value below the amortized cost basis is determined to be other-than-temporary. Factors considered in determining whether a loss is other-than-temporary include the length of time and extent to which fair value has been less than the amortized cost basis, the financial condition and near-term prospects of the issuer, and whether it is not more likely than not that the Company will be required to sell the security before the recovery of the amortized cost basis, which may be maturity. If a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded in current earnings and a new cost basis in the investment is established.

Certain Risks and Concentrations

A substantial portion of the Company's revenue is derived from online advertising, the market for which is highly competitive and rapidly changing. Significant changes in this industry or changes in advertising spending behavior or in customer buying behavior could adversely affect our operating results. Most of the Company's online advertising revenue is attributable to a services agreement with Google. On October 26, 2015, the Company and Google entered into a services agreement that is effective as of April 1, 2016, following the expiration of the current services agreement, and expires on March 31, 2020. The Company may choose to terminate the agreement effective March 31, 2019. These services agreements require that we comply with certain guidelines promulgated by Google. Google may generally unilaterally update its own policies and guidelines without advance notice, which could in turn require modifications to, or prohibit and/or render obsolete certain of our products, services and/or business practices, which could be costly to address or otherwise have an adverse effect on our business, financial condition and results of operations. For the years ended December 31, 2015, 2014 and 2013, revenue earned

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

from Google is \$1.3 billion, \$1.4 billion and \$1.5 billion, respectively. This revenue is earned by the businesses comprising the Publishing and Applications segments. For the years ended December 31, 2015, 2014 and 2013, Google revenue represents 83% and 94%; 83% and 97%; and 83% and 98%, of Publishing and Applications revenue, respectively. Accounts receivable related to revenue earned from Google totaled \$97.2 million and \$118.7 million at December 31, 2015 and 2014, respectively.

The Company'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, consist primarily of cash and cash equivalents and marketable securities. Cash and cash equivalents are maintained with financial institutions and are in excess of Federal Deposit Insurance Corporation insurance limits.

Accounts Receivable

Accounts receivable are stated at amounts due from customers, net of an allowance for doubtful accounts and revenue reserves. Accounts receivable outstanding longer than the contractual payment terms are considered past due. The Company determines its allowance by considering a number of factors, including the length of time accounts receivable are past due, the Company's previous loss history, the specific customer's ability to pay its obligation to the Company and the condition of the general economy and the customer's industry. The Company writes off accounts receivable when they become uncollectible. The Company also maintains allowances to reserve for potential credits issued to customers or other revenue adjustments. The amounts of these reserves are based, in part, on historical experience.

Property and Equipment

Property and equipment, including significant improvements, are recorded at cost. Repairs and maintenance costs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

<u>Asset Category</u>	<u>Estimated Useful Lives</u>
Buildings and leasehold improvements	3 to 39 Years
Computer equipment and capitalized software	2 to 3 Years
Furniture and other equipment	3 to 12 Years

The Company capitalizes certain internal use software costs including external direct costs utilized in developing or obtaining the software and compensation for personnel directly associated with the development of the software. Capitalization of such costs begins when the preliminary project stage is complete and ceases when the project is substantially complete and ready for its intended purpose. The net book value of capitalized internal use software is \$39.6 million and \$36.9 million at December 31, 2015 and 2014, respectively.

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Business Combinations

The purchase price of each acquisition is attributed to the assets acquired and liabilities assumed based on their fair values at the date of acquisition, including identifiable intangible assets that either arise from a contractual or legal right or are separable from goodwill. The fair value of these intangible assets is based on detailed valuations that use information and assumptions provided by management. The excess purchase price over the net tangible and identifiable intangible assets is recorded as goodwill.

In connection with some business combinations, the Company has entered into contingent consideration arrangements that are determined to be part of the purchase price. Each of these arrangements are recorded at its fair value at the time of the acquisition and reflected at current fair value for each subsequent reporting period thereafter until settled. The contingent consideration arrangements are generally based upon earnings performance and/or operating metrics such as monthly active users. The Company determines the fair value of the contingent consideration arrangements using probability-weighted analyses to determine the amounts of the gross liability, and, if the arrangement is long-term in nature, applying a discount rate that appropriately captures the risk associated with the obligation to determine the net amount reflected in the consolidated financial statements. Determining the fair value of these arrangements is inherently difficult and subjective. Significant changes in forecasted earnings or operating metrics would result in a significantly higher or lower fair value measurement and can have a material impact on our consolidated financial statements. The changes in the remeasured fair value of the contingent consideration arrangements each reporting period, including the accretion of the discount, if applicable, are recognized in "General and administrative expense" in the accompanying consolidated statement of operations. See Note 7 for a discussion of contingent consideration arrangements.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill acquired in business combinations is assigned to the reporting unit(s) that is expected to benefit from the combination as of the acquisition date. The Company assesses goodwill and indefinite-lived intangible assets for impairment annually 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 or the fair value of an indefinite-lived intangible asset below its carrying value.

The Company has the option to qualitatively assess whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. For the Company's annual goodwill test at October 1, 2015, a quantitative assessment of the Match Group, Publishing, Applications, ShoeBuy and PriceRunner reporting units' goodwill was performed. A qualitative assessment of the HomeAdvisor, Connected Ventures, and DailyBurn reporting units' goodwill was performed. When the Company elects to perform a qualitative assessment and concludes it is not more likely than not that the fair value of the reporting unit is less than its carrying value, no further assessment of that reporting unit's goodwill is necessary; otherwise, the fair value of the reporting unit has to be determined and if the carrying value of a reporting unit's goodwill exceeds its implied fair value, an impairment loss equal to the excess is recorded.

The Company determines the fair values of its reporting units using both an income approach based on discounted cash flows ("DCF") and a market approach. Determining fair value using a DCF analysis requires the exercise of significant judgment with respect to several items, including the judgment about the amount and timing of expected future cash flows and appropriate discount rates. The expected cash flows used in the DCF analyses are based on the Company's most recent budget and, for years beyond the budget, the Company's estimates, which are based, in part, on forecasted growth rates. The discount rates used in the DCF analyses are intended to reflect the risks inherent in the expected future cash flows of the respective reporting units. Assumptions used in the DCF analyses, including the discount rate, are assessed annually based on each reporting unit's current results and forecast, as well as macroeconomic and industry specific factors. The discount rates used in the Company's annual goodwill impairment assessment ranged from 12% to 22% in 2015 and 13% to 19% in 2014. Determining fair value using a market approach considers multiples of financial metrics based on both acquisitions and trading multiples of a selected peer group of companies. From the comparable companies, a representative market multiple is determined which is applied to financial metrics to estimate the fair value of a reporting unit. To determine a peer group of companies for our respective reporting units, we considered companies relevant in terms of consumer use, monetization model, margin and growth characteristics and brand strength operating in their respective sectors.

While the Company has the option to qualitatively assess whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying value, the Company's policy is to determine the fair value of each of its

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indefinite-lived intangible assets annually as of October 1. The Company determines the fair values of its indefinite-lived intangible assets using avoided royalty DCF analyses. Significant judgments inherent in these analyses include the selection of appropriate royalty and discount rates and estimating the amount and timing of expected future cash flows. The discount rates used in the DCF analyses reflect the risks inherent in the expected future cash flows generated by the respective intangible assets. The royalty rates used in the DCF analyses are based upon an estimate of the royalty rates that a market participant would pay to license the Company's trade names and trademarks. Assumptions used in the avoided royalty DCF analyses, including the discount rate and royalty rate, are assessed annually based on the actual and projected cash flows related to the asset, as well as macroeconomic and industry specific factors. The discount rates used in the Company's annual indefinite-lived impairment assessment ranged from 11% to 16% in 2015 and 10% to 20% in 2014, and the royalty rates used ranged from 1% to 9% in both 2015 and 2014.

In connection with the annual assessments in 2015, the Company identified and recorded impairment charges of \$88.0 million related to certain indefinite-lived intangible assets at the Publishing segment and \$14.1 million at the Other segment related to goodwill at ShoeBuy. At October 1, 2015, the date of our most recent annual impairment assessment, the fair value of the Company's reporting units exceeded their carrying values by more than 20% with the exception of Publishing and ShoeBuy. The indefinite-lived intangible asset impairment charge at Publishing related to certain trade names of certain Ask & Other direct marketing brands, including Ask.com. The impairment charge reflects the impact of recent Google ecosystem changes that have impacted our ability to market, the effect of the reduced revenue share on mobile under the terms of the services agreement with Google, which was entered into on October 26, 2015, and the shift in focus to higher margin businesses in Publishing's Premium Brands. The combined impact of these factors has reduced the forecasted revenue and profits for these brands and the impairment charge reflects the resultant reduction in fair value. The impairment charge is included in "Amortization of intangibles" in the accompanying consolidated statement of operations. The goodwill impairment charge at ShoeBuy was due to increased investment and the seasonal effect of high inventory levels as of October 1, 2015, the date of our most recent annual assessment. The 2014 and 2013 annual assessments identified no material impairments.

To illustrate the magnitude of a potential impairment charge relative to future changes in estimated fair value, had the estimated fair value of Publishing and ShoeBuy been hypothetically lower by 10% and 20% as of October 1, 2015, the carrying value of Publishing would have exceeded its fair value by approximately \$20 million and \$60 million, respectively, and the carrying value of ShoeBuy would have exceeded its fair value by approximately \$1 million and \$5 million, respectively.

The Company's reporting units are consistent with its determination of its operating segments. Goodwill is tested for impairment at the reporting unit level. See Note 13 for additional information regarding the Company's method of determining operating and reportable segments.

Long-Lived Assets and Intangible Assets with Definite Lives

Long-lived assets, which consist of property and equipment and intangible assets with definite lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. The carrying value 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 value is deemed not to be recoverable, an impairment loss is recorded equal to the amount by which the carrying value of the long-lived asset exceeds its fair value. Amortization of definite-lived intangible assets is computed either on a straight-line basis or based on the pattern in which the economic benefits of the asset will be realized.

Fair Value Measurements

The Company categorizes its financial instruments measured at fair value into a fair value hierarchy that prioritizes the inputs used in pricing the asset or liability. The three levels of the fair value hierarchy are:

- Level 1: Observable inputs obtained from independent sources, such as quoted prices for identical assets and liabilities in active markets.
- Level 2: Other inputs, which 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. The fair values of the Company's Level 2 financial

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

assets are primarily obtained from observable market prices for identical underlying securities that may not be actively traded. Certain of these securities may have different market prices from multiple market data sources, in which case an average market price is used.

- Level 3: Unobservable inputs for which there is little or no market data and require the Company to develop its own assumptions, based on the best information available in the circumstances, about the assumptions market participants would use in pricing the assets or liabilities. See Note 7 for a discussion of fair value measurements made using Level 3 inputs.

The Company's non-financial assets, such as goodwill, intangible assets and property and equipment, as well as equity and cost method investments, are adjusted to fair value only when an impairment charge is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

Traffic Acquisition Costs

Traffic acquisition costs consist of payments made to partners who distribute our Partnerships customized browser-based applications, integrate our paid listings into their websites and fees related to the distribution and facilitation of in-app purchase of product features. These payments include amounts based on revenue share and other arrangements. The Company expenses these payments in the period incurred as a component of cost of revenue.

Advertising Costs

Advertising costs are expensed in the period incurred (when the advertisement first runs for production costs that are initially capitalized) and represent online marketing, including fees paid to search engines and third parties that distribute our Consumer downloadable applications, offline marketing, which is primarily television advertising, and partner-related payments to those who direct traffic to the Match Group brands. Advertising expense is \$1.2 billion, \$994.7 million and \$850.4 million for the years ended December 31, 2015, 2014 and 2013, respectively.

The Company capitalizes and amortizes the costs associated with certain distribution arrangements that require it to pay a fee per access point delivered. These access points are generally in the form of downloadable applications associated with our Consumer operations. These fees are amortized over the estimated useful lives of the access points to the extent the Company can reasonably estimate a probable future economic benefit and the period over which such benefit will be realized (generally 18 months). Otherwise, the fees are charged to expense as incurred.

Legal Costs

Legal costs are expensed as incurred.

Income Taxes

The Company recognizes liabilities for uncertain tax positions based on a two-step process. 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 which is more than 50% likely of being realized upon ultimate settlement.

The Company accounts for income taxes 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 values of existing assets and liabilities and their respective tax bases. 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. The Company records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax expense.

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Earnings Per Share

Basic earnings per share is computed by dividing net earnings attributable to IAC shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if stock options and other commitments to issue common stock were exercised or equity awards vested resulting in the issuance of common stock that could share in the earnings of the Company.

Foreign Currency Translation and Transaction Gains and Losses

The financial position and operating results of foreign entities whose primary economic environment is based on their local currency are consolidated using the local currency as the functional currency. These local currency assets and liabilities are translated at the rates of exchange as of the balance sheet date, and local currency revenue and expenses of these operations are translated at average rates of exchange during the period. Translation gains and losses are included in accumulated other comprehensive income as a component of shareholders' equity. Transaction gains and losses resulting from assets and liabilities denominated in a currency other than the functional currency are included in the consolidated statement of operations as a component of other (expense) income, net.

Translation gains and losses relating to foreign entities that are liquidated or substantially liquidated are reclassified out of accumulated other comprehensive income (loss) into earnings. Such gains totaled \$2.2 million during the year ended December 31, 2015, and are included in "Other income (expense), net" in the accompanying consolidated statement of operations.

Stock-Based Compensation

Stock-based compensation is measured at the grant date based on the fair value of the award and is generally expensed over the requisite service period. See Note 12 for a discussion of the Company's stock-based compensation plans.

Redeemable Noncontrolling Interests

Noncontrolling interests in the consolidated subsidiaries of the Company should ordinarily be reported on the consolidated balance sheet within shareholders' equity, separately from the Company's equity. However, securities that are redeemable at the option of the holder and not solely within the control of the issuer must be classified outside of shareholders' equity. Accordingly, if redemption of the noncontrolling interests is outside the control of the Company, the interests are included outside of shareholders' equity in the accompanying consolidated balance sheet.

In connection with the acquisition of certain subsidiaries, management of these businesses has retained an ownership interest. The Company is party to fair value put and call arrangements with respect to these interests. These put and call arrangements allow management of these businesses to require the Company to purchase their interests or allow the Company to acquire such interests at fair value, respectively. The put arrangements do not meet the definition of a derivative instrument as the put agreements do not provide for net settlement. These put and call arrangements become exercisable by the Company and the counter-party at various dates in the future. During both the years ended December 31, 2015 and 2013 two of these arrangements were exercised. No put or call arrangements were exercised during 2014. These put arrangements are exercisable by the counter-party outside the control of the Company. Accordingly, to the extent that the fair value of these interests exceeds the value determined by normal noncontrolling interest accounting, the value of such interests is adjusted to fair value with a corresponding adjustment to additional paid-in capital. During the years ended December 31, 2015, 2014 and 2013, the Company recorded adjustments of \$23.2 million, \$27.8 million and \$40.6 million, respectively, to increase these interests to fair value. Fair value determinations require high levels of judgment and are based on various valuation techniques, including market comparables and discounted cash flow projections.

Noncontrolling Interests

Noncontrolling interests at December 31, 2015 relate to the public's ownership interest in Match Group following its IPO on November 24, 2015.

Recent Accounting Pronouncements

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In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers*, which clarifies the principles for recognizing revenue and develops a common standard for all industries. In July 2015, the FASB decided to defer the effective date for annual reporting periods beginning after December 15, 2017. Early adoption is permitted beginning on the original effective date of December 15, 2016. Upon adoption, ASU No. 2014-09 may either be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. The Company is currently evaluating the new guidance and has not yet determined whether the adoption of the new standard will have a material impact on its consolidated financial statements or the method and timing of adoption.

In November 2015, the FASB issued ASU No. 2015-17, *Income Taxes*, which requires that deferred tax assets and liabilities be classified as non-current in the balance sheet. Prior to the issuance of the standard, deferred tax assets and liabilities were required to be separately classified into a current amount and a non-current amount in the balance sheet. The new guidance is required to be adopted in annual periods beginning after December 15, 2016. Early adoption is permitted and may be applied prospectively or retrospectively. The Company has elected to early adopt the guidance as of December 31, 2015 and to apply the guidance retrospectively to all periods presented. The adoption of ASU 2015-17 did not have a material effect on the Company's consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which supersedes existing guidance on accounting for leases in "*Leases (Topic 840)*" and generally requires all leases to be recognized in the statement of financial position. The provisions of ASU 2016-02 are effective for reporting periods beginning after December 15, 2018; early adoption is permitted. The provisions of ASU 2016-02 are to be applied using a modified retrospective approach. The Company is currently evaluating the new guidance and has not yet determined whether the adoption of the new standard will have a material impact on its consolidated financial statements.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 3—INCOME TAXES

U.S. and foreign earnings from continuing operations before income taxes are as follows:

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
U.S.	\$ 79,639	\$ 174,792	\$ 331,520
Foreign	63,234	95,137	84,781
Total	\$ 142,873	\$ 269,929	\$ 416,301

The components of the provision (benefit) for income taxes attributable to continuing operations are as follows:

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Current income tax provision (benefit):			
Federal	\$ 67,505	\$ (45,842)	\$ 115,250
State	7,785	(14,787)	13,946
Foreign	14,012	19,132	14,402
Current income tax provision (benefit)	89,302	(41,497)	143,598
Deferred income tax (benefit) provision:			
Federal	(50,254)	74,255	(821)
State	(3,727)	3,090	(2,117)
Foreign	(5,805)	(476)	(6,158)
Deferred income tax (benefit) provision	(59,786)	76,869	(9,096)
Income tax provision	\$ 29,516	\$ 35,372	\$ 134,502

The current income tax payable was reduced by \$56.4 million, \$45.0 million and \$32.9 million for the years ended December 31, 2015, 2014 and 2013, respectively, for excess tax deductions attributable to stock-based compensation. The related income tax benefits are recorded as increases to additional paid-in capital.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Income taxes receivable (payable) and deferred tax assets (liabilities) are included in the following captions in the accompanying consolidated balance sheet at December 31, 2015 and 2014:

	December 31,	
	2015	2014
(In thousands)		
Income taxes receivable (payable):		
Other current assets	\$ 26,793	\$ 4,505
Other non-current assets	1,564	1,478
Accrued expenses and other current liabilities	(33,029)	(41,157)
Income taxes payable	(33,692)	(32,635)
Net income taxes payable	<u>\$ (38,364)</u>	<u>\$ (67,809)</u>
Deferred tax assets (liabilities):		
Other non-current assets	\$ 1,970	\$ 1,379
Deferred income taxes	(348,773)	(391,790)
Net deferred tax liabilities	<u>\$ (346,803)</u>	<u>\$ (390,411)</u>

The tax effects of cumulative temporary differences that give rise to significant deferred tax assets and deferred tax liabilities are presented below. The valuation allowance relates to deferred tax assets for which it is more likely than not that the tax benefit will not be realized.

	December 31,	
	2015	2014
(In thousands)		
Deferred tax assets:		
Accrued expenses	\$ 36,418	\$ 34,654
Net operating loss carryforwards	68,048	55,579
Tax credit carryforwards	13,753	13,585
Stock-based compensation	76,285	69,342
Cost method investments	6,251	27,581
Equity method investments	17,105	14,998
Other	16,057	12,322
Total deferred tax assets	<u>233,917</u>	<u>228,061</u>
Less valuation allowance	(90,482)	(98,350)
Net deferred tax assets	<u>143,435</u>	<u>129,711</u>
Deferred tax liabilities:		
Investment in subsidiaries	(382,254)	(378,769)
Intangible and other assets	(88,846)	(115,470)
Other	(19,138)	(25,883)
Total deferred tax liabilities	<u>(490,238)</u>	<u>(520,122)</u>
Net deferred tax liabilities	<u>\$ (346,803)</u>	<u>\$ (390,411)</u>

At December 31, 2015, the Company has federal and state net operating losses ("NOLs") of \$74.3 million and \$96.1 million, respectively. If not utilized, the federal NOLs will primarily expire at various times between 2030 and 2035, and the state NOLs will expire at various times between 2016 and 2035. Utilization of federal and state NOLs will be subject to limitations under Section 382 of the Internal Revenue Code and applicable state law. At December 31, 2015, the Company has

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

foreign NOLs of \$132.3 million available to offset future income. Of these foreign NOLs, \$115.7 million can be carried forward indefinitely and \$16.6 million will expire at various times between 2015 and 2035. During 2015, the Company recognized tax benefits related to NOLs of \$2.7 million. At December 31, 2015, the Company has federal and state capital losses of \$2.2 million and \$20.8 million, respectively. If not utilized, the capital losses will expire between 2016 and 2020. Utilization of capital losses will be limited to the Company's ability to generate future capital gains.

At December 31, 2015, the Company has tax credit carryforwards of \$18.5 million. Of this amount, \$6.6 million relates to state tax credits for research activities, \$6.2 million relates to federal credits for foreign taxes, and \$5.7 million relates to various state and local tax credits. Of these credit carryforwards, \$8.6 million can be carried forward indefinitely and \$9.9 million will expire within ten years.

During 2015, the Company's valuation allowance decreased by \$7.9 million primarily due to the realization of certain deferred tax assets, partially offset by an increase in unrealized net operating and capital losses. At December 31, 2015, the Company has a valuation allowance of \$90.5 million related to the portion of tax loss carryforwards and other items for which it is more likely than not that the tax benefit will not be realized.

A reconciliation of the income tax provision to the amounts computed by applying the statutory federal income tax rate to earnings from continuing operations before income taxes is shown as follows:

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Income tax provision at the federal statutory rate of 35%	\$ 50,006	\$ 94,475	\$ 145,705
Change in tax reserves, net	(2,928)	(86,151)	1,791
Foreign income taxed at a different statutory tax rate	(6,077)	(10,456)	(17,428)
State income taxes, net of effect of federal tax benefit	2,208	7,240	7,668
Realization of certain deferred tax assets	(22,440)	—	(6,026)
Non-taxable contingent consideration fair value adjustments	(4,517)	(4,439)	120
Non-taxable foreign currency exchange gains	(4,306)	—	—
Unbenefited losses	4,264	5,433	3,350
Non-deductible goodwill associated with the sale of Urbanspoon	—	6,982	—
Non-deductible ShoeBuy goodwill impairment	4,920	—	—
Non-deductible impairments for certain cost method investments	2,341	23,310	1,756
Other, net	6,045	(1,022)	(2,434)
Income tax provision	<u>\$ 29,516</u>	<u>\$ 35,372</u>	<u>\$ 134,502</u>

No income taxes have been provided on indefinitely reinvested earnings of certain foreign subsidiaries aggregating \$555.9 million at December 31, 2015. The estimated amount of the unrecognized deferred income tax liability with respect to such earnings is \$127.2 million.

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest, is as follows:

	December 31,		
	2015	2014	2013
	(In thousands)		
Balance at January 1	\$ 30,386	\$ 275,813	\$ 379,281
Additions based on tax positions related to the current year	4,227	2,159	2,887
Additions for tax positions of prior years	14,467	1,622	3,189
Reductions for tax positions of prior years	(1,556)	(5,611)	(17,116)
Settlements	—	(5,092)	(78,954)
Expiration of applicable statutes of limitations	(6,716)	(238,505)	(13,474)
Balance at December 31	<u>\$ 40,808</u>	<u>\$ 30,386</u>	<u>\$ 275,813</u>

The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in the income tax provision. Included in the income tax provision for continuing operations for the years ended December 31, 2015, 2014 and 2013 is a \$0.1 million expense, \$58.5 million benefit and \$4.8 million expense, respectively, net of related deferred taxes of less than \$0.1 million, \$35.3 million and \$2.8 million, respectively, for interest on unrecognized tax benefits. Included in the income tax provision for discontinued operations for the years ended December 31, 2015, 2014 and 2013 is a less than \$0.1 million benefit, \$19.7 million benefit and \$1.4 million expense, respectively, net of related deferred taxes of less than \$0.1 million, \$11.7 million and \$0.8 million, respectively, for interest on unrecognized tax benefits. At December 31, 2015 and 2014, the Company has accrued \$2.5 million and \$2.8 million, respectively, for the payment of interest. At December 31, 2015 and 2014, the Company has accrued \$2.2 million and \$2.9 million, respectively, for penalties.

The Company is routinely under audit by federal, state, local and foreign authorities in the area of income tax. These audits include questioning the timing and the amount of income and deductions and the allocation of income and deductions among various tax jurisdictions. The Internal Revenue Service is currently auditing the Company's federal income tax returns for the years ended December 31, 2010 through 2012. Various other jurisdictions are open to examination for various tax years beginning with 2009. Income taxes payable include reserves considered sufficient to pay assessments that may result from examination of prior year tax returns. Changes to reserves from period to period and differences between amounts paid, if any, upon resolution of audits and amounts previously provided may be material. Differences between the reserves for income tax contingencies and the amounts owed by the Company are recorded in the period they become known.

At December 31, 2015 and 2014, unrecognized tax benefits, including interest, were \$43.4 million and \$33.2 million, respectively. If unrecognized tax benefits at December 31, 2015 are subsequently recognized, \$41.0 million, net of related deferred tax assets and interest, would reduce income tax expense. The comparable amount as of December 31, 2014 was \$30.5 million. The Company believes that it is reasonably possible that its unrecognized tax benefits could decrease by approximately \$8.1 million by December 31, 2016, primarily due to expirations of statutes of limitations; \$7.7 million of which would reduce the income tax provision for continuing operations.

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 4—GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets, net are as follows:

	December 31,	
	2015	2014
(In thousands)		
Goodwill	\$ 2,245,364	\$ 1,754,926
Intangible assets with indefinite lives	380,137	405,234
Intangible assets with definite lives, net	60,691	86,702
Total goodwill and intangible assets, net	<u>\$ 2,686,192</u>	<u>\$ 2,246,862</u>

The following table presents the balance of goodwill by reporting unit, including the changes in the carrying value of goodwill, for the year ended December 31, 2015:

	Balance at December 31, 2014	Additions	Impairment	Foreign Exchange Translation	Allocation of IAC's former Search & Applications Segment Goodwill Based on Relative Fair Value	Balance at December 31, 2015
(In thousands)						
Search & Applications ^(a)	\$ 774,822	\$ 1,450	\$ —	\$ (1,230)	\$ (775,042)	\$ —
Match Group	791,474	547,910	—	(46,275)	—	1,293,109
HomeAdvisor	151,321	—	—	(1,070)	—	150,251
Publishing	—	3,504	—	963	272,725	277,192
Applications	—	—	—	—	447,242	447,242
Video:						
Connected Ventures	8,267	—	—	—	—	8,267
DailyBurn	7,323	—	—	—	—	7,323
Total Video	15,590	—	—	—	—	15,590
Other:						
ShoeBuy	21,719	—	(14,056)	—	—	7,663
PriceRunner	—	—	—	(758)	55,075	54,317
Total Other	21,719	—	(14,056)	(758)	55,075	61,980
Total	<u>\$ 1,754,926</u>	<u>\$ 552,864</u>	<u>\$ (14,056)</u>	<u>\$ (48,370)</u>	<u>\$ —</u>	<u>\$ 2,245,364</u>

^(a) Prior to the fourth quarter of 2015, Search & Applications was a reportable segment consisting of one operating segment and one reporting unit. In the fourth quarter of 2015, Search & Applications was split into three new operating segments and reporting units: Publishing, Applications and PriceRunner. The goodwill of Search & Applications was allocated to these three reporting units based upon their relative fair values as of October 1, 2015. It is not possible to reflect this allocation on a retrospective basis because of acquisitions and dispositions during the three years in the period ended December 31, 2015. See Note 1 for additional information on the realignment of IAC's reportable segments.

The additions primarily relate to Match Group's acquisitions of PlentyOfFish and Eureka. See Note 2 for information on the current year impairment charge at ShoeBuy.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The December 31, 2015 goodwill balance includes accumulated impairment losses of \$322.6 million, \$529.1 million and \$65.2 million, which were re-allocated from the former Search & Applications segment, to Publishing, Applications and PriceRunner, respectively, based on their relative fair values as of October 1, 2015 following the change in reportable segments that occurred during the fourth quarter of 2015. The goodwill balance at December 31, 2015 also includes accumulated impairment losses of \$11.6 million and \$42.1 million at Connected Ventures and ShoeBuy, respectively.

The following table presents the balance of goodwill by reporting unit, including the changes in the carrying value of goodwill, for the year ended December 31, 2014:

	Balance at December 31, 2013	Additions	(Deductions)	Foreign Exchange Translation	Balance at December 31, 2014
	(In thousands)				
Search & Applications ^(b)	\$ 738,062	\$ 71,616	\$ (33,510)	\$ (1,346)	\$ 774,822
Match Group	768,080	72,833	(1,931)	(47,508)	791,474
HomeAdvisor	131,872	20,646	—	(1,197)	151,321
Publishing	—	—	—	—	—
Applications	—	—	—	—	—
Video:					
Connected Ventures	8,267	—	—	—	8,267
DailyBurn	7,323	—	—	—	7,323
Total Video	15,590	—	—	—	15,590
Other:					
ShoeBuy	21,719	—	—	—	21,719
PriceRunner	—	—	—	—	—
Total Other	21,719	—	—	—	21,719
Total	<u>\$ 1,675,323</u>	<u>\$ 165,095</u>	<u>\$ (35,441)</u>	<u>\$ (50,051)</u>	<u>\$ 1,754,926</u>

^(b) Prior to the fourth quarter of 2015, Search & Applications was a reportable segment consisting of one operating segment and one reporting unit. In the fourth quarter of 2015, Search & Applications was split into three new operating segments and reporting units: Publishing, Applications and PriceRunner. The goodwill of Search & Applications was allocated to these three reporting units based upon their relative fair values as of October 1, 2015. It is not possible to reflect this allocation on a retrospective basis because of acquisitions and dispositions during the three years in the period ended December 31, 2015. See Note 1 for additional information on the realignment of IAC's reportable segments.

The additions for Match Group primarily relate to the acquisition of The Princeton Review; the additions for the former Search & Applications segment primarily relate to the acquisitions of the ValueClick O&O website businesses and Apalon, and the addition for HomeAdvisor primarily relates to the acquisition of mHelpDesk. Deductions for the former Search & Applications segment primarily relate to the sale of Urbanspoon.

The December 31, 2014 and 2013 goodwill balances include accumulated impairment losses of \$916.9 million at the former Search & Applications segment which has been re-allocated to the Publishing, Applications and PriceRunner reporting units in 2015 as described above, and \$11.6 million and \$28.0 million at Connected Ventures and ShoeBuy, respectively.

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Intangible assets with indefinite lives are trade names and trademarks acquired in various acquisitions. At December 31, 2015 and 2014, intangible assets with definite lives are as follows:

	December 31, 2015			Weighted-Average Useful Life (Years)
	Gross Carrying Amount	Accumulated Amortization	Net	
	(In thousands)			
Content	\$ 62,082	\$ (48,937)	\$ 13,145	4.1
Technology	55,487	(37,012)	18,475	3.2
Trade names	32,123	(26,268)	5,855	2.5
Customer lists	28,836	(13,078)	15,758	2.1
Advertiser and supplier relationships and other	15,709	(8,251)	7,458	4.2
Total	\$ 194,237	\$ (133,546)	\$ 60,691	3.3

	December 31, 2014			Weighted-Average Useful Life (Years)
	Gross Carrying Amount	Accumulated Amortization	Net	
	(In thousands)			
Content	\$ 62,602	\$ (36,988)	\$ 25,614	4.1
Technology	54,981	(20,988)	33,993	3.2
Trade names	30,110	(21,681)	8,429	2.6
Customer lists	24,566	(14,050)	10,516	2.6
Advertiser and supplier relationships	13,380	(5,230)	8,150	4.0
Total	\$ 185,639	\$ (98,937)	\$ 86,702	3.4

At December 31, 2015, amortization of intangible assets with definite lives for each of the next five years is estimated to be as follows:

Years Ending December 31,	(In thousands)
2016	\$ 39,153
2017	14,880
2018	5,205
2019	953
2020	500
Total	\$ 60,691

NOTE 5—MARKETABLE SECURITIES

At December 31, 2015, current available-for-sale marketable securities are as follows:

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
(In thousands)				
Corporate debt securities	\$ 27,765	\$ —	\$ (187)	\$ 27,578
Equity security	8,659	2,963	—	11,622
Total marketable securities	\$ 36,424	\$ 2,963	\$ (187)	\$ 39,200

At December 31, 2014, current available-for-sale marketable securities are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
(In thousands)				
Corporate debt security	\$ 159,418	\$ 34	\$ (255)	\$ 159,197
Equity security	98	1,353	—	1,451
Total marketable securities	\$ 159,516	\$ 1,387	\$ (255)	\$ 160,648

The gross unrealized losses on the marketable debt securities relate primarily to changes in interest rates. The Company does not consider the gross unrealized losses to be other-than-temporary because the Company does not intend to sell the marketable debt securities that generated the gross unrealized losses at December 31, 2015, and it is not more likely than not that the Company will be required to sell these securities before recovery of their amortized costs bases, which may be maturity.

The unrealized gains and losses in the tables above are included in "Accumulated other comprehensive loss" in the accompanying consolidated balance sheet.

There are no investments in current available-for-sale marketable debt securities that have been in a continuous unrealized loss position for longer than twelve months as of December 31, 2015.

The contractual maturities of debt securities classified as current available-for-sale at December 31, 2015 are as follows:

	Amortized Cost	Fair Value
(In thousands)		
Due in one year or less	\$ 5,568	\$ 5,523
Due after one year through five years	22,197	22,055
Total	\$ 27,765	\$ 27,578

The following table presents the proceeds from maturities and sales of current and non-current available-for-sale marketable securities and the related gross realized gains:

	December 31,		
	2015	2014	2013
(In thousands)			
Proceeds from maturities and sales of available-for-sale marketable securities	\$ 218,976	\$ 25,223	\$ 82,160
Gross realized gains	443	3,362	35,692

There were no gross realized losses from the maturities and sales of available-for-sale marketable securities for the years ended December 31, 2015, 2014 and 2013. However, during the second quarter of 2015, the Company recognized \$0.3 million

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

in losses that were deemed to be other-than-temporary related to various corporate debt securities that were expected to be sold by the Company, in part, to fund its cash needs related to Match Group's acquisition of PlentyOfFish for \$575 million.

Gross realized gains from the maturities and sales of available-for-sale marketable securities and gross unrealized losses that were deemed to be other-than-temporary are included in "Other income (expense), net" in the accompanying consolidated statement of operations.

NOTE 6—LONG-TERM INVESTMENTS

Long-term investments consist of:

	December 31,	
	2015	2014
	(In thousands)	
Cost method investments	\$ 114,532	\$ 90,910
Equity method investments	11,262	10,593
Long-term marketable equity security	7,542	7,410
Auction rate security	4,050	6,070
Total long-term investments	<u>\$ 137,386</u>	<u>\$ 114,983</u>

Cost method investments

In 2015 and 2014, the Company recorded \$4.5 million and \$66.6 million, respectively, of other-than-temporary impairment charges for certain cost method investments as a result of our assessment of the near-term prospects and financial condition of the investees. These charges are included in "Other income (expense), net" in the accompanying consolidated statement of operations.

The Company, through Match Group, has a 21% interest in the voting common stock of Zhenai Inc. ("Zhenai"), a leading provider of online dating and matchmaking services in China. However, given the significance of our interest relative to other shareholders, we do not have the ability to exercise significant influence over the operating and financial matters of Zhenai and this investment is accounted for as a cost method investment.

Equity method investments

In 2014, the Company recorded a \$4.2 million other-than-temporary impairment charge on one of its investments following the sale of a majority of the investee's assets. These charges are included in "Equity in losses of unconsolidated affiliates" in the accompanying consolidated statement of operations.

Long-term marketable equity security

The cost basis of the Company's long-term marketable equity security at December 31, 2015 and 2014 is \$5.0 million and \$8.7 million, respectively, with a gross unrealized gain of \$2.6 million and a gross unrealized loss of \$1.2 million, respectively. The gross unrealized gain at December 31, 2015 and gross unrealized loss at December 31, 2014 are included in "Accumulated other comprehensive loss" in the accompanying consolidated balance sheet.

Auction rate security

See Note 7 for information regarding the auction rate security.

NOTE 7—FAIR VALUE MEASUREMENTS AND FINANCIAL INSTRUMENTS

The following tables present the Company's financial instruments that are measured at fair value on a recurring basis:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

December 31, 2015				
	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
(In thousands)				
Assets:				
Cash equivalents:				
Money market funds	\$ 601,848	\$ —	\$ —	\$ 601,848
Time deposits	—	125,038	—	125,038
Commercial paper	—	302,418	—	302,418
Marketable securities:				
Corporate debt securities	—	27,578	—	27,578
Equity security	11,622	—	—	11,622
Long-term investments:				
Auction rate security	—	—	4,050	4,050
Marketable equity security	7,542	—	—	7,542
Total	\$ 621,012	\$ 455,034	\$ 4,050	\$ 1,080,096
Liabilities:				
Contingent consideration arrangements	\$ —	\$ —	\$ (33,873)	\$ (33,873)

December 31, 2014				
	Quoted Market Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
(In thousands)				
Assets:				
Cash equivalents:				
Money market funds	\$ 174,720	\$ —	\$ —	\$ 174,720
Time deposits	—	388,801	—	388,801
Commercial paper	—	42,914	—	42,914
Marketable securities:				
Corporate debt securities	—	159,197	—	159,197
Equity security	1,451	—	—	1,451
Long-term investments:				
Auction rate security	—	—	6,070	6,070
Marketable equity security	7,410	—	—	7,410
Total	\$ 183,581	\$ 590,912	\$ 6,070	\$ 780,563
Liabilities:				
Contingent consideration arrangements	\$ —	\$ —	\$ (30,140)	\$ (30,140)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table presents the changes in the Company's financial instruments that are measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	For the Year Ended			
	December 31, 2015		December 31, 2014	
	Auction Rate Security	Contingent Consideration Arrangements	Auction Rate Security	Contingent Consideration Arrangements
	(In thousands)			
Balance at January 1	\$ 6,070	\$ (30,140)	\$ 8,920	\$ (45,828)
Total net gains (losses):				
Included in earnings:				
Fair value adjustments	—	15,461	—	13,367
Foreign currency exchange gains	—	626	—	—
Included in other comprehensive (loss) income	(2,020)	1,872	(2,850)	3,025
Fair value at date of acquisition	—	(27,442)	—	(8,813)
Settlements	—	5,750	—	8,109
Balance at December 31	\$ 4,050	\$ (33,873)	\$ 6,070	\$ (30,140)

Auction rate security

The Company's auction rate security is valued by discounting the estimated future cash flow streams of the security over the life of the security. Credit spreads and other risk factors are also considered in establishing fair value. The cost basis of the auction rate security is \$10.0 million, with a gross unrealized loss of \$5.9 million and \$3.9 million at December 31, 2015 and December 31, 2014, respectively. The unrealized losses are included in "Accumulated other comprehensive loss" in the accompanying consolidated balance sheet. At December 31, 2015, the auction rate security is rated BBB- and matures in 2035. The Company does not consider the auction rate security to be other-than-temporarily impaired at December 31, 2015, due to its high credit rating and because the Company does not intend to sell this security, and it is not more likely than not that the Company will be required to sell this security, before the recovery of its amortized cost basis, which may be maturity.

Contingent consideration arrangements

As of December 31, 2015, there are nine contingent consideration arrangements related to business acquisitions. Eight of the contingent consideration arrangements have limits as to the maximum amount that can be paid; the maximum contingent payments related to these arrangements are \$240.7 million and the fair value of these arrangements at December 31, 2015 is \$33.4 million. The fair value of the one contingent consideration arrangement without a limit on the maximum amount is \$0.4 million at December 31, 2015. The contingent consideration arrangements are generally based upon earnings performance and/or operating metrics such as monthly active users. The Company determines the fair value of the contingent consideration arrangements by using probability-weighted analyses to determine the amounts of the gross liability, and, if the arrangement is long-term in nature, applying a discount rate that appropriately captures the risks associated with the obligation to determine the net amount reflected in the consolidated financial statements. The number of scenarios in the probability-weighted analyses can vary; generally, more scenarios are prepared for longer duration and more complex arrangements. The fair values of the contingent consideration arrangements at December 31, 2015 reflect discount rates ranging from 12% to 25%.

The fair values of the contingent consideration arrangements are sensitive to changes in the forecasts of earnings and/or the relevant operating metrics and changes in discount rates. The Company remeasures the fair value of the contingent consideration arrangements each reporting period, including the accretion of the discount, if applicable, and changes are recognized in "General and administrative expense" in the accompanying consolidated statement of operations. The contingent consideration arrangement liability at December 31, 2015 includes a current portion of \$2.6 million and non-current portion of \$31.2 million, which are included in "Accrued expenses and other current liabilities" and "Other long-term liabilities," respectively, in the accompanying consolidated balance sheet.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Financial instruments measured at fair value only for disclosure purposes

The following table presents the carrying value and the fair value of financial instruments measured at fair value only for disclosure purposes:

	December 31, 2015		December 31, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Current maturities of long-term debt	\$ (40,000)	\$ (39,850)	\$ —	\$ —
Long-term debt, net of current maturities	\$ (1,748,213)	\$ (1,761,601)	\$ (1,080,000)	\$ (1,099,813)

The fair value of long-term debt, including current maturities is estimated using market prices or indices for similar liabilities and taking into consideration other factors such as credit quality and maturity, which are Level 3 inputs.

NOTE 8—LONG-TERM DEBT

Long-term debt consists of:

	December 31,	
	2015	2014
	(In thousands)	
Match Group Term Loan due November 16, 2022	\$ 800,000	\$ —
6.75% Senior Notes due December 15, 2022 (the "Match Group Senior Notes"); interest payable each June 15 and December 15, which commences June 15, 2016	445,172	—
4.875% Senior Notes due November 30, 2018 (the "2013 Senior Notes"); interest payable each May 30 and November 30, which commenced May 30, 2014	500,000	500,000
4.75% Senior Notes due December 15, 2022 (the "2012 Senior Notes"); interest payable each June 15 and December 15, which commenced June 15, 2013	54,732	500,000
5% New York City Industrial Development Agency Liberty Bonds due September 1, 2035 (the "Liberty Bonds")	—	80,000
Total long-term debt	1,799,904	1,080,000
Less: Current portion of long-term debt	40,000	—
Less: Net adjustment for remaining original issue discount on Match Group Term Loan and original issue premium related to the Match Exchange Offer	11,691	—
Total long-term debt, net of current maturities	\$ 1,748,213	\$ 1,080,000

The 2013 and 2012 Senior Notes were issued by IAC on November 15, 2013 and December 21, 2012, respectively. The 2013 and 2012 Senior Notes are unconditionally guaranteed by certain wholly-owned domestic subsidiaries, which are designated as guarantor subsidiaries. The guarantor subsidiaries are the same for the 2013 and 2012 Senior Notes. See Note 20 for guarantor and non-guarantor financial information.

The indenture governing the 2013 Senior Notes contains covenants that would limit our ability to pay dividends or to make distributions and repurchase or redeem our stock in the event a default has occurred or we not in compliance with the maximum leverage ratio of 3.0 to 1.0. At December 31, 2015, there were no limitations pursuant thereto. There are additional covenants that limit the Company's ability and the ability of its restricted subsidiaries to, among other things, (i) incur indebtedness, make investments, or sell assets in the event we are not in compliance with the financial ratio set forth in the indenture, and (ii) incur liens, enter into agreements limiting our restricted subsidiaries' ability to pay dividends, enter into transactions with affiliates and consolidate, merge or sell substantially all of our assets. The indenture governing the 2012 Senior Notes was amended in connection with the Match Exchange Offer described below. This indenture amendment eliminated substantially all of the restrictive covenants contained therein.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

On October 7, 2015, IAC's \$300 million revolving credit facility (the "IAC Credit Facility") was amended and restated, and now expires October 7, 2020. At December 31, 2015 and 2014, there were no outstanding borrowings under the IAC Credit Facility. The annual commitment fee on undrawn funds is currently 35 basis points, and is based on the leverage ratio most recently reported. Borrowings under the IAC Credit Facility bear interest, at the Company's option, at either a base rate or LIBOR, in each case, plus an applicable margin, which is determined by reference to a pricing grid based on the Company's leverage ratio. The terms of the IAC Credit Facility require that the Company maintains a leverage ratio of not more than 3.25 to 1.0 and restrict our ability to incur additional indebtedness. Borrowings under the IAC Credit Facility are unconditionally guaranteed by the same domestic subsidiaries that guarantee the 2013 and 2012 Senior Notes and are also secured by the stock of certain of our domestic and foreign subsidiaries. The 2013 Senior Notes and 2012 Senior Notes rank pari-passu with each other, and are subordinate to outstanding borrowings under the IAC Credit Facility.

On November 16, 2015, Match Group completed a private exchange offer to eligible holders to exchange any and all of the 2012 Senior Notes for up to \$500 million aggregate principal amount of Match Group Senior Notes issued by Match Group ("Match Exchange Offer"). Match Group exchanged \$445.3 million of 2012 Senior Notes for \$445.2 million of Match Group Senior Notes pursuant to the Match Exchange Offer. Promptly following the closing of the Match Exchange Offer, Match Group and its subsidiaries were designated as unrestricted subsidiaries of IAC for purposes of the indentures governing the 2013 and 2012 Senior Notes and the IAC Credit Facility. Following the designation, neither Match Group nor any of its subsidiaries guaranteed any debt of IAC, or are subject to any of the covenants related to such debt.

The indenture governing the Match Group Senior Notes contains covenants that would limit Match Group's ability to pay dividends or to make distributions and repurchase or redeem Match Group stock in the event a default has occurred or Match Group is not in compliance with the maximum leverage ratio of 5.0 to 1.0. At December 31, 2015, there were no limitations pursuant thereto. There are additional covenants that limit Match Group's ability and the ability of its subsidiaries to, among other things, (i) incur indebtedness, make investments, or sell assets in the event Match Group is not in compliance with the financial ratio set forth in the indenture, and (ii) incur liens, enter into agreements restricting Match Group subsidiaries' ability to pay dividends, enter into transactions with affiliates and consolidate, merge or sell substantially all of their assets.

On October 7, 2015, Match Group entered into a credit agreement (the "Match Group Credit Agreement") which provides for a five-year \$500 million revolving credit facility (the "Match Group Credit Facility"). At December 31, 2015, there were no outstanding borrowings under the Match Group Credit Facility. The annual commitment fee on undrawn funds is currently 35 basis points, and is based on the leverage ratio most recently reported. Borrowings under the Match Group Credit Facility bear interest, at Match Group's option, at either a base rate or LIBOR, in each case plus an applicable margin, which is determined by reference to a pricing grid based on Match Group's consolidated net leverage ratio. The terms of the Match Group Credit Facility require Match Group to maintain a leverage ratio of not more than 5.0 to 1.0 and a minimum interest coverage ratio of not less than 2.5 to 1.0.

On November 16, 2015, Match Group amended and restated the Match Group Credit Agreement to provide for an \$800 million, seven-year term loan ("Match Group Term Loan"). Principal payments of \$10 million under the Match Group Term Loan are due quarterly through maturity, at which point a final principal payment of \$530 million will become due. Additionally, the Match Group Term Loan may require additional annual principal payments as part of an excess cash flow sweep provision, the amount of which is governed by the net secured leverage ratio. The Match Group Term Loan bears interest, at its option, at either the base rate or LIBOR, plus 3.50% or 4.50%, respectively, with, in the case of LIBOR, a floor of 1.00%. Interest payments are due no less than semi-annually through the term of the loan. The Match Group Term Loan and outstanding borrowings, if any, under the Match Group Credit Facility rank pari-passu with each other, and have priority over the Match Group Senior Notes.

There are additional covenants under the Match Group Credit Facility and the Match Group Term Loan that limit Match Group's ability and the ability of its subsidiaries to, among other things, incur indebtedness, pay dividends or make distributions. While the Match Group Term Loan remains outstanding, these same covenants under the Match Group Credit Agreement are more restrictive than the covenants that are applicable to the Match Group Credit Facility. Obligations under the Match Group Credit Facility and Match Group Term Loan are unconditionally guaranteed by certain wholly-owned Match Group domestic subsidiaries, and are also secured by the stock of certain Match Group domestic and foreign subsidiaries.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company may redeem the 2013 Senior Notes at the redemption prices set forth below, together with accrued and unpaid interest thereon to the applicable redemption date, if redeemed during the twelve-month period beginning on November 30 of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2015	103.250%
2016	101.625%
2017 and thereafter	100.000%

At any time prior to December 15, 2017, the 2012 Senior Notes and the Match Group Senior Notes may be redeemed at a redemption price equal to the sum of the principal amount thereof, plus accrued and unpaid interest and a make-whole premium. Thereafter, the 2012 Senior Notes and the Match Group Senior Notes may be redeemed at the redemption prices set forth below, together with accrued and unpaid interest thereon to the applicable redemption date, if redeemed during the twelve-month period beginning on December 15 of the years indicated below:

<u>Year</u>	<u>Percentage</u>
2017	102.375%
2018	101.583%
2019	100.792%
2020 and thereafter	100.000%

Long-term debt maturities are as follows:

<u>Years Ending December 31,</u>	<u>(In thousands)</u>
2016	\$ 40,000
2017	40,000
2018	540,000
2019	40,000
2020	40,000
2021	40,000
2022	1,059,904
Total	1,799,904
Less: Current portion of long-term debt	40,000
Less: Net adjustment for remaining original issue discount on Match Group Term Loan and original issue premium related to the Match Exchange Offer	11,691
Total long term debt, net of current maturities	<u>\$ 1,748,213</u>

NOTE 9—SHAREHOLDERS' EQUITY

Description of Common Stock and Class B Convertible Common Stock

Each holder of shares of IAC common stock and IAC Class B common stock vote together as a single class with respect to matters that may be submitted to a vote or for the consent of IAC's shareholders generally, including the election of directors. In connection with any such vote, each holder of IAC common stock is entitled to one vote for each share of IAC common stock held and each holder of IAC Class B common stock is entitled to ten votes for each share of IAC Class B common stock held. Notwithstanding the foregoing, the holders of shares of IAC common stock, acting as a single class, are entitled to elect 25% of the total number of IAC's directors, and, in the event that 25% of the total number of directors shall result in a fraction of a director, then the holders of shares of IAC common stock, acting as a single class, are entitled to elect the next higher

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

whole number of IAC's directors. In addition, Delaware law requires that certain matters be approved by the holders of shares of IAC common stock or holders of IAC Class B common stock voting as a separate class.

Shares of IAC Class B common stock are convertible into shares of IAC common stock at the option of the holder thereof, at any time, on a share-for-share basis. Such conversion ratio will in all events be equitably preserved in the event of any recapitalization of IAC by means of a stock dividend on, or a stock split or combination of, outstanding shares of IAC common stock or IAC Class B common stock, or in the event of any merger, consolidation or other reorganization of IAC with another corporation. Upon the conversion of shares of IAC Class B common stock into shares of IAC common stock, those shares of IAC Class B common stock will be retired and will not be subject to reissue. Shares of IAC common stock are not convertible into shares of IAC Class B common stock.

Except as described herein, shares of IAC common stock and IAC Class B common stock are identical. The holders of shares of IAC common stock and the holders of shares of IAC Class B common stock are entitled to receive, share for share, such dividends as may be declared by IAC's Board of Directors out of funds legally available therefore. In the event of a liquidation, dissolution, distribution of assets or winding-up of IAC, the holders of shares of IAC common stock and the holders of shares of IAC Class B common stock are entitled to receive, share for share, all the assets of IAC available for distribution to its stockholders, after the rights of the holders of any IAC preferred stock have been satisfied.

Reserved Common Shares

In connection with equity compensation plans, 19.7 million shares of IAC common stock are reserved at December 31, 2015.

Common Stock Repurchases

During 2015 and 2013, the Company purchased 3.0 million and 4.5 million shares of IAC common stock for aggregate consideration, on a trade date basis, of \$200.0 million and \$229.1 million, respectively. During 2014, the Company did not purchase any shares of IAC common stock.

On April 30, 2013, IAC's Board of Directors authorized the repurchase of up to 10 million shares of IAC common stock. At December 31, 2015, the Company has approximately 5.6 million shares remaining in its share repurchase authorization.

NOTE 10—ACCUMULATED OTHER COMPREHENSIVE LOSS

The following tables present the components of accumulated other comprehensive loss and items reclassified out of accumulated other comprehensive loss into earnings:

	Year Ended December 31, 2015		
	Foreign Currency Translation Adjustment	Unrealized (Losses) Gains On Available-For-Sale Securities	Accumulated Other Comprehensive Loss
	(In thousands)		
Balance at January 1	\$ (86,848)	\$ (852)	\$ (87,700)
Other comprehensive (loss) income, net of tax provision of \$0.6 million related to unrealized gains on available-for-sale securities	(65,606)	3,537	(62,069)
Amounts reclassified to earnings	(2,191)	(143) ^(a)	(2,334)
Net current period other comprehensive (loss) income	(67,797)	3,394	(64,403)
Balance at December 31	\$ (154,645)	\$ 2,542	\$ (152,103)

^(a) Amount is net of a tax provision of \$0.1 million.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Year Ended December 31, 2014		
	Foreign Currency Translation Adjustment	Unrealized Gains (Losses) On Available-For-Sale Securities	Accumulated Other Comprehensive Loss
	(In thousands)		
Balance at January 1	\$ (20,352)	\$ 7,306	\$ (13,046)
Other comprehensive loss before reclassifications, net of tax benefit of \$0.7 million related to unrealized losses on available-for-sale securities	(66,496)	(6,233)	(72,729)
Amounts reclassified related to unrealized gains on available-for-sale securities, net of tax provision of \$1.2 million	—	(1,925)	(1,925)
Net current period other comprehensive loss	(66,496)	(8,158)	(74,654)
Balance at December 31	\$ (86,848)	\$ (852)	\$ (87,700)

NOTE 11—EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share attributable to IAC shareholders.

	Years Ended December 31,					
	2015		2014		2013	
	Basic	Diluted	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)					
Numerator:						
Earnings from continuing operations	\$ 113,357	\$ 113,357	\$ 234,557	\$ 234,557	\$ 281,799	\$ 281,799
Net loss attributable to noncontrolling interests	6,098	6,098	5,643	5,643	2,059	2,059
Impact from Match Group's dilutive securities	—	(1,799)	—	—	—	—
Earnings from continuing operations attributable to IAC shareholders	119,455	117,656	240,200	240,200	283,858	283,858
Earnings from discontinued operations attributable to IAC shareholders	17	17	174,673	174,673	1,926	1,926
Net earnings attributable to IAC shareholders	\$ 119,472	\$ 117,673	\$ 414,873	\$ 414,873	\$ 285,784	\$ 285,784
Denominator:						
Weighted average basic shares outstanding	82,944	82,944	83,292	83,292	83,480	83,480
Dilutive securities including subsidiary denominated equity, stock options and RSUs ^{(a)(b)}	—	5,323	—	5,266	—	3,262
Denominator for earnings per share—weighted average shares ^{(a)(b)}	82,944	88,267	83,292	88,558	83,480	86,742
Earnings per share attributable to IAC shareholders:						
Earnings per share from continuing operations	\$ 1.44	\$ 1.33	\$ 2.88	\$ 2.71	\$ 3.40	\$ 3.27
Discontinued operations	—	—	2.10	1.97	0.02	0.02
Earnings per share	\$ 1.44	\$ 1.33	\$ 4.98	\$ 4.68	\$ 3.42	\$ 3.29

(a) If the effect is dilutive, weighted average common shares outstanding include the incremental shares that would be issued upon the assumed exercise of subsidiary denominated equity, stock options and vesting of restricted stock units ("RSUs"). For the years ended December 31, 2015, 2014 and 2013, 1.5 million, 0.3 million and 0.4 million potentially dilutive securities, respectively, are excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- (b) Performance-based stock units ("PSUs") are included in the denominator for earnings per share if (i) the applicable performance condition(s) has been met and (ii) the inclusion of the PSUs is dilutive for the respective reporting periods. For each of the years ended December 31, 2015 and 2014 less than 0.1 million PSUs that were probable of vesting were excluded from the calculation of diluted earnings per share because the performance conditions had not been met. For the year ended December 31, 2013, all PSUs that were considered to be probable of vesting were included in the calculation of diluted earnings per share as their performance conditions had been met.

NOTE 12—STOCK-BASED COMPENSATION

IAC currently has two active plans under which awards have been granted. These plans cover stock options to acquire shares of IAC common stock, RSUs, PSUs and restricted stock, as well as provide for the future grant of these and other equity awards. These plans authorize the Company to grant awards to its employees, officers, directors and consultants. At December 31, 2015, there are 4.7 million shares available for grant under the Company's stock-based compensation plans.

The plans were adopted in 2008 and 2013, 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 Company's common stock on the grant date. The plans do not specify grant dates or vesting schedules of awards as those determinations have been delegated to the Compensation and Human Resources Committee of IAC's Board of Directors (the "Committee"). Each grant agreement reflects the vesting schedule for that particular grant as determined by the Committee. Broad-based stock option awards issued to date have generally vested in equal annual installments over a four-year period and RSU awards currently outstanding generally vest in two 50% installments over a three and four-year period, in each case, from the grant date. PSU awards currently outstanding generally vest in two installments of up to 50% over a two and three-year period from the date of grant.

The amount of stock-based compensation expense recognized in the consolidated statement of operations is reduced by estimated forfeitures, as the expense recorded is based on awards that are ultimately expected to vest. The forfeiture rate is estimated at the grant date based on historical experience and revised, if necessary, in subsequent periods if actual forfeitures differ from the estimated rate. At December 31, 2015, there is \$190.6 million of unrecognized compensation cost, net of estimated forfeitures, related to all equity-based awards, which is expected to be recognized over a weighted average period of approximately 2.7 years.

The total income tax benefit recognized in the accompanying consolidated statement of operations for the years ended December 31, 2015, 2014 and 2013 related to stock-based compensation is \$36.6 million, \$22.2 million and \$19.3 million, respectively.

Stock Options

Stock options outstanding at December 31, 2015 and changes during the year ended December 31, 2015 are as follows:

	December 31, 2015			
	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
(Shares and intrinsic value in thousands)				
Outstanding at January 1, 2015	6,520	\$ 41.19		
Granted	2,528	71.17		
Exercised	(1,536)	36.93		
Forfeited	(220)	53.75		
Expired	(9)	35.68		
Outstanding at December 31, 2015	7,283	\$ 52.13	6.9	\$ 91,329
Options exercisable	3,520	\$ 37.16	5.1	\$ 82,073

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between IAC's closing stock price on the last trading day of 2015 and the exercise price, multiplied by the number of in-the-money options)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

that would have been received by the option holders had all option holders exercised their options on December 31, 2015. This amount changes based on the fair market value of IAC's common stock. The total intrinsic value of stock options exercised during the years ended December 31, 2015, 2014 and 2013 is \$53.0 million, \$63.3 million and \$65.6 million, respectively.

The following table summarizes the information about stock options outstanding and exercisable at December 31, 2015:

Range of Exercise Prices	Options Outstanding			Options Exercisable		
	Outstanding at December 31, 2015	Weighted-Average Remaining Contractual Life in Years	Weighted-Average Exercise Price	Exercisable at December 31, 2015	Weighted-Average Remaining Contractual Life in Years	Weighted-Average Exercise Price
	(Shares in thousands)					
\$10.01 to \$20.00	423	3.5	\$ 17.94	423	3.5	\$ 17.94
\$20.01 to \$30.00	547	2.8	22.49	547	2.8	22.49
\$30.01 to \$40.00	992	5.3	31.79	992	5.3	31.79
\$40.01 to \$50.00	1,780	6.3	46.30	1,115	6.2	46.28
\$50.01 to \$60.00	366	6.0	58.62	252	5.8	58.60
\$60.01 to \$70.00	1,713	8.8	64.63	129	6.8	65.97
\$70.01 to \$80.00	962	9.2	74.23	62	8.3	71.55
\$80.01 to \$90.00	500	9.3	84.31	—	0.0	—
	<u>7,283</u>	6.9	\$ 52.13	<u>3,520</u>	5.1	\$ 37.16

The fair value of stock option awards, with the exception of market-based awards, is estimated on the grant date using the Black-Scholes option pricing model. The Black-Scholes option pricing model incorporates various assumptions, including expected volatility and expected term. During 2015, 2014 and 2013, expected stock price volatilities were estimated based on the Company's historical volatility. The risk-free interest rates are based on U.S. Treasuries with comparable terms as the awards, in effect at the grant date. Expected term is based upon the historical exercise behavior of our employees and the dividend yields are based on IAC's historical dividend payments. The following are the weighted average assumptions used in the Black-Scholes option pricing model:

	Years Ended December 31,		
	2015	2014	2013
Expected volatility	28%	31%	29%
Risk-free interest rate	1.6%	1.5%	1.0%
Expected term	5.3 years	4.8 years	6.2 years
Dividend yield	2.0%	1.5%	2.0%

During 2015, the Company granted market-based stock options to certain employees. These awards only vest if the price of IAC common stock exceeds the relevant price threshold for a twenty-day consecutive period and the service requirement is met. The service requirement provides that these awards vest in four equal annual installments beginning on the first anniversary of the grant date. The grant date fair value of each market-based award is estimated using a lattice model that incorporates a Monte Carlo simulation of IAC's stock price. The inputs used to fair value these awards include a weighted average expected volatility of 27%, risk-free interest rate of 2.3% and a 1.8% dividend yield. The expected term of these awards is derived from the output of the option valuation model. Expense is recognized over the longer of the vesting period of each of the four installments or the expected term. The weighted average expected term of these awards is 4 years.

Approximately 2.5 million, 0.7 million and 0.7 million stock options were granted by the Company during the years ended December 31, 2015, 2014 and 2013, respectively. The weighted average fair value of stock options granted during the years ended December 31, 2015, 2014 and 2013 with exercise prices equal to the market prices of IAC's common stock on the

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

date of grant are \$15.24, \$16.67 and \$10.67, respectively. The weighted average exercise price and weighted average fair value of stock options granted during the year ended December 31, 2015 with exercise prices greater than the market value of IAC's common stock on the date of grant are \$84.31 and \$12.00, respectively. There were no stock options issued during the years ended December 31, 2014 and 2013 with exercise prices greater than the market value of IAC's common stock on the date of grant.

Cash received from stock option exercises and the related tax benefit realized for the years ended December 31, 2015, 2014 and 2013 are: \$27.3 million and \$25.8 million; \$39.1 million and \$25.5 million; and \$40.7 million and \$17.2 million, respectively. In December 2013, the Company's former Chief Executive Officer (the "Executive") became the Chairman of Match Group; in connection with the Executive's compensation arrangement, the Executive exercised 0.5 million stock options, which were settled by the Company for \$9.2 million in cash. In January 2014, a portion of the Executive's outstanding IAC stock options were canceled and replaced with equity denominated in a subsidiary of IAC and various subsidiaries of Match Group. The incremental expense associated with this modification was \$7.4 million.

Restricted Stock Units and Performance-based Stock Units

RSUs and PSUs are awards in the form of phantom shares or units denominated in a hypothetical equivalent number of shares of IAC common stock and with the value of each RSU and PSU equal to the fair value of IAC common stock at the date of grant. Each RSU and PSU grant is subject to service-based vesting, where a specific period of continued employment must pass before an award vests. PSUs also include performance-based vesting, where certain performance targets set at the time of grant must be achieved before an award vests. The Company recognizes expense for all RSUs and PSUs for which vesting is considered probable. For RSU grants, the expense is measured at the grant date as the fair value of IAC common stock and expensed as stock-based compensation over the vesting term. For PSU grants, the expense is measured at the grant date as the fair value of IAC common stock and expensed as stock-based compensation over the vesting term if the performance targets are considered probable of being achieved.

Unvested RSUs and PSUs outstanding at December 31, 2015 and changes during the year ended December 31, 2015 are as follows:

	RSUs		PSUs	
	Number of shares	Weighted Average Grant Date Fair Value	Number of shares ^(a)	Weighted Average Grant Date Fair Value
	(Shares in thousands)			
Unvested at January 1, 2015	750	\$ 53.61	35	\$ 71.39
Granted	649	70.11	168	70.88
Vested	(241)	50.44	—	—
Forfeited	(16)	71.39	(33)	71.39
Unvested at December 31, 2015	1,142	\$ 63.42	170	\$ 70.89

(a) Included in the table are PSUs which vest at the end of three years in varying amounts depending upon certain performance conditions. The PSU table above includes these awards at their maximum potential payout.

The weighted average fair value of RSUs and PSUs granted during the years ended December 31, 2015, 2014 and 2013 based on market prices of IAC's common stock on the grant date was \$70.27, \$68.13 and \$42.32, respectively. The total fair value of RSUs and PSUs that vested during the years ended December 31, 2015, 2014 and 2013 was \$16.8 million, \$20.4 million and \$14.5 million, respectively.

Equity Instruments Denominated in the Shares of Certain Subsidiaries

The following description excludes awards denominated in the shares of the Company's publicly-traded subsidiary Match Group. Match Group stock-based awards are issued pursuant to its stock incentive plan.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IAC has granted stock options and stock settled stock appreciation rights, which are denominated in the equity of its subsidiaries, to employees and management of certain subsidiaries. These equity awards vest over a period of years or upon the occurrence of certain prescribed events. The value of the stock options and stock settled stock appreciation rights is tied to the value of the common stock of these subsidiaries. Accordingly, these interests only have value to the extent the relevant business appreciates in value above the initial value utilized to determine the exercise price. These interests can have significant value in the event of significant appreciation. The interests are ultimately settled in IAC common stock with fair market value generally determined by negotiation or arbitration, at various dates through 2024. The expense associated with these equity awards is initially measured at fair value at the grant date and is expensed as stock-based compensation over the vesting term. The aggregate number of IAC common shares that would be required to settle these interests at current estimated fair values, including vested and unvested interests, at December 31, 2015 is 6.4 million shares, which is included in the calculation of diluted earnings per share, if the effect is dilutive. The comparable amount at December 31, 2014 is 5.8 million shares. Following the completion of the Match Group IPO, equity awards that relate to the subsidiaries of Match Group will be settleable, at IAC's election, in shares of IAC common stock or Match Group common stock. To the extent shares of IAC common stock are issued in settlement of these awards, Match Group will reimburse IAC for the cost of those shares by issuing IAC additional shares of Match Group common stock. The aggregate number of IAC common shares at December 31, 2015 included above that would be required to settle Match Group subsidiary equity awards at current estimated fair values, including vested and unvested interests, is 4.1 million shares. The comparable amount at December 31, 2014 is 3.8 million shares.

During the first quarter of 2015, the Company modified certain subsidiary denominated equity awards resulting in a modification charge of \$5.8 million of which \$3.5 million was recognized in 2015 and \$2.3 million will be recognized over the remaining life of the modified awards. During the third quarter of 2015, the Company modified certain subsidiary denominated vested equity awards and recognized a modification charge of \$6.8 million. During the fourth quarter of 2015, the Company repurchased certain subsidiary denominated vested equity awards in exchange for \$23.4 million in cash and fully vested modified equity awards and recognized a modification charge of \$7.7 million. These modification charges are included in stock-based compensation for the year ended December 31, 2015.

During 2014, the Company granted to a non-employee equity in a certain subsidiary of the company that is marked to market each reporting period. The award has a vesting multiple times a year and is fully vested in 2017. At December 31, 2015, the total fair value of this award, at current estimated fair value including vested and unvested interests, is \$19.6 million.

NOTE 13—SEGMENT INFORMATION

The overall concept that IAC employs in determining its operating segments is to present the financial information in a manner consistent with how the chief operating decision maker views the businesses, how the businesses are organized as to segment management, and the focus of the businesses with regards to the types of services or products offered or the target market. Operating segments are combined for reporting purposes if they meet certain aggregation criteria, which principally relate to the similarity of their economic characteristics or, in the case of the Other reportable segment, do not meet the quantitative thresholds that require presentation as separate operating segments.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Revenue:			
Match Group	\$ 1,020,431	\$ 888,268	\$ 803,089
HomeAdvisor	361,201	283,541	239,471
Publishing	691,686	791,549	803,141
Applications	760,748	776,707	834,636
Video	213,317	182,454	161,457
Other	184,095	187,834	182,615
Inter-segment elimination	(545)	(806)	(1,422)
Total	\$ 3,230,933	\$ 3,109,547	\$ 3,022,987

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Operating Income (Loss):			
Match Group	\$ 193,556	\$ 228,567	\$ 221,333
HomeAdvisor	6,452	1,061	284
Publishing	(26,692)	110,523	119,484
Applications	175,145	178,960	214,916
Video	(38,756)	(43,346)	(24,144)
Other	(9,186)	8,108	(344)
Corporate	(120,931)	(105,146)	(105,326)
Total	\$ 179,588	\$ 378,727	\$ 426,203

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Adjusted EBITDA:^(a)			
Match Group	\$ 278,667	\$ 273,448	\$ 271,231
HomeAdvisor	18,529	17,701	15,373
Publishing	87,788	150,960	161,950
Applications	184,258	186,192	219,263
Video	(38,384)	(39,916)	(21,397)
Other	10,621	13,134	7,520
Corporate	(55,689)	(57,443)	(55,637)
Total	\$ 485,790	\$ 544,076	\$ 598,303

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	December 31,	
	2015	2014
	(In thousands)	
Segment Assets:^(b)		
Match Group	\$ 345,879	\$ 292,307
HomeAdvisor	32,112	28,975
Publishing	390,951	201,405
Applications	108,997	117,358
Video	90,671	83,233
Other	64,550	53,355
Corporate	1,490,598	1,233,390
Total	<u>\$ 2,523,758</u>	<u>\$ 2,010,023</u>

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Capital expenditures:			
Match Group	\$ 29,156	\$ 21,793	\$ 19,807
HomeAdvisor	10,170	6,775	6,940
Publishing	6,283	13,481	8,285
Applications	4,681	4,220	13,930
Video	2,466	1,878	1,386
Other	3,175	2,845	1,981
Corporate	6,118	6,241	27,982
Total	<u>\$ 62,049</u>	<u>\$ 57,233</u>	<u>\$ 80,311</u>

(a) The Company's primary financial measure is Adjusted EBITDA, which is defined as operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of (i) amortization of intangible assets and impairments of goodwill and intangible assets and (ii) gains and losses recognized on changes in the fair value of contingent consideration arrangements. The Company believes this measure is useful for analysts and investors as this measure allows a more meaningful comparison between our performance and that of our competitors. Moreover, our management uses this measure internally to evaluate the performance of our business as a whole and our individual business segments. The above items are excluded from our Adjusted EBITDA measure because these items are non-cash in nature, and we believe that by excluding these items, Adjusted EBITDA corresponds more closely to the cash operating income generated from our business, from which capital investments are made and debt is serviced. Adjusted EBITDA has certain limitations in that it does not take into account the impact to IAC's statement of operations of certain expenses.

(b) Consistent with the Company's primary metric (described in (a) above), the Company excludes, if applicable, goodwill and intangible assets from the measure of segment assets presented above.

Revenue by geography is based on where the customer is located. Geographic information about revenue and long-lived assets is presented below:

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Revenue			
United States	\$ 2,376,035	\$ 2,146,189	\$ 2,081,485
All other countries	854,898	963,358	941,502
Total	<u>\$ 3,230,933</u>	<u>\$ 3,109,547</u>	<u>\$ 3,022,987</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	December 31,	
	2015	2014
(In thousands)		
Long-lived assets (excluding goodwill and intangible assets)		
United States	\$ 279,913	\$ 281,879
All other countries	22,904	20,580
Total	<u>\$ 302,817</u>	<u>\$ 302,459</u>

The following tables reconcile Adjusted EBITDA to operating income (loss) for the Company's reportable segments and to net earnings attributable to IAC shareholders:

	Year Ended December 31, 2015						
	Adjusted EBITDA	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Acquisition-related Contingent Consideration Fair Value Adjustments	Goodwill Impairment	Operating Income (Loss)
(In thousands)							
Match Group	\$ 278,667	\$ (50,083)	\$ (25,983)	\$ (20,101)	\$ 11,056	\$ —	\$ 193,556
HomeAdvisor	18,529	(1,649)	(6,593)	(3,835)	—	—	6,452
Publishing	87,788	—	(9,577)	(104,903)	—	—	(26,692)
Applications	184,258	—	(4,617)	(6,264)	1,768	—	175,145
Video	(38,384)	(360)	(1,091)	(1,558)	2,637	—	(38,756)
Other	10,621	—	(2,460)	(3,291)	—	(14,056)	(9,186)
Corporate	(55,689)	(53,358)	(11,884)	—	—	—	(120,931)
Total	<u>\$ 485,790</u>	<u>\$ (105,450)</u>	<u>\$ (62,205)</u>	<u>\$ (139,952)</u>	<u>\$ 15,461</u>	<u>\$ (14,056)</u>	179,588
Equity in earnings of unconsolidated affiliates							772
Interest expense							(73,636)
Other income, net							36,149
Earnings from continuing operations before income taxes							142,873
Income tax provision							(29,516)
Earnings from continuing operations							113,357
Earnings from discontinued operations, net of tax							17
Net earnings							113,374
Net loss attributable to noncontrolling interests							6,098
Net earnings attributable to IAC shareholders							<u>\$ 119,472</u>

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Year Ended December 31, 2014					
	Adjusted EBITDA	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Acquisition-related Contingent Consideration Fair Value Adjustments	Operating Income (Loss)
	(In thousands)					
Match Group	\$ 273,448	\$ (20,851)	\$ (25,547)	\$ (11,395)	\$ 12,912	\$ 228,567
HomeAdvisor	17,701	(558)	(6,520)	(9,562)	—	1,061
Publishing	150,960	—	(11,856)	(28,581)	—	110,523
Applications	186,192	—	(4,385)	(2,521)	(326)	178,960
Video	(39,916)	(647)	(899)	(2,099)	215	(43,346)
Other	13,134	—	(1,824)	(3,768)	566	8,108
Corporate	(57,443)	(37,578)	(10,125)	—	—	(105,146)
Total	<u>\$ 544,076</u>	<u>\$ (59,634)</u>	<u>\$ (61,156)</u>	<u>\$ (57,926)</u>	<u>\$ 13,367</u>	<u>378,727</u>
Equity in losses of unconsolidated affiliates						(9,697)
Interest expense						(56,314)
Other expense, net						(42,787)
Earnings from continuing operations before income taxes						269,929
Income tax provision						(35,372)
Earnings from continuing operations						234,557
Earnings from discontinued operations, net of tax						174,673
Net earnings						409,230
Net loss attributable to noncontrolling interests						5,643
Net earnings attributable to IAC shareholders						<u>\$ 414,873</u>

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Year Ended December 31, 2013					
	Adjusted EBITDA	Non-Cash Compensation Expense	Depreciation	Amortization of Intangibles	Acquisition-related Contingent Consideration Fair Value Adjustments	Operating Income (Loss)
	(In thousands)					
Match Group	\$ 271,231	\$ (12,228)	\$ (20,202)	\$ (17,125)	\$ (343)	\$ 221,333
HomeAdvisor	15,373	—	(5,174)	(9,915)	—	284
Publishing	161,950	(1)	(14,822)	(27,643)	—	119,484
Applications	219,263	(1)	(4,346)	—	—	214,916
Video	(21,397)	(633)	(1,133)	(981)	—	(24,144)
Other	7,520	29	(3,714)	(4,179)	—	(344)
Corporate	(55,637)	(40,171)	(9,518)	—	—	(105,326)
Total	<u>\$ 598,303</u>	<u>\$ (53,005)</u>	<u>\$ (58,909)</u>	<u>\$ (59,843)</u>	<u>\$ (343)</u>	<u>426,203</u>
Equity in losses of unconsolidated affiliates						(6,615)
Interest expense						(33,596)
Other income, net						30,309
Earnings from continuing operations before income taxes						416,301
Income tax provision						(134,502)
Earnings from continuing operations						281,799
Earnings from discontinued operations, net of tax						1,926
Net earnings						283,725
Net loss attributable to noncontrolling interests						2,059
Net earnings attributable to IAC shareholders						<u>\$ 285,784</u>

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following tables reconcile segment assets to total assets:

	December 31, 2015				
	Segment Assets	Goodwill	Indefinite-Lived Intangible Assets	Definite-Lived Intangible Assets	Total Assets
	(In thousands)				
Match Group	\$ 345,879	\$ 1,293,109	\$ 243,697	\$ 32,711	\$ 1,915,396
HomeAdvisor	32,112	150,251	600	5,727	188,690
Publishing	390,951	277,192	59,805	7,849	735,797
Applications	108,997	447,242	60,600	7,964	624,803
Video	90,671	15,590	1,800	3,343	111,404
Other	64,550	61,980	13,635	3,097	143,262
Corporate ^(c)	1,490,598	—	—	—	1,490,598
Total	\$ 2,523,758	\$ 2,245,364	\$ 380,137	\$ 60,691	\$ 5,209,950

	December 31, 2014				
	Segment Assets	Goodwill	Indefinite-Lived Intangible Assets	Definite-Lived Intangible Assets	Total Assets
	(In thousands)				
Search & Applications ^(d)	\$ —	\$ 774,822	\$ —	\$ —	\$ 774,822
Match Group	292,307	791,474	180,558	27,055	1,291,394
HomeAdvisor	28,975	151,321	600	9,693	190,589
Publishing	201,405	—	148,095	25,936	375,436
Applications	117,358	—	60,600	13,079	191,037
Video	83,233	15,590	1,800	4,900	105,523
Other	53,355	21,719	13,581	6,039	94,694
Corporate ^(c)	1,233,390	—	—	—	1,233,390
Total	\$ 2,010,023	\$ 1,754,926	\$ 405,234	\$ 86,702	\$ 4,256,885

(c) Corporate assets consist primarily of cash and cash equivalents, marketable securities and IAC's headquarters building.

(d) Prior to the fourth quarter of 2015, Search & Applications was a reportable segment consisting of one operating segment and one reporting unit. In the fourth quarter of 2015, Search & Applications was split into three new operating segments and reportable units: Publishing, Applications and PriceRunner (included in the Other segment). The goodwill of Search & Applications was allocated to these three reporting units based upon their relative fair values as of October 1, 2015. It is not possible to reflect this allocation on a retrospective basis because of acquisitions and dispositions during the three years in the period ended December 31, 2015. See Note 1 for additional information on the realignment of IAC's reportable segments and Note 4 for additional information on goodwill.

NOTE 14—COMMITMENTS

The Company leases land, office space, data center facilities and equipment used in connection with its operations under various operating leases, many of which contain escalation clauses. The Company is also committed to pay a portion of the related operating expenses under a data center lease agreement. These operating expenses are not included in the table below.

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Future minimum payments under operating lease agreements are as follows:

Years Ending December 31,	(In thousands)
2016	\$ 33,073
2017	32,539
2018	28,252
2019	22,352
2020	15,547
Thereafter	200,554
Total	\$ 332,317

Expenses charged to operations under these agreements are \$39.4 million, \$41.2 million and \$36.7 million for the years ended December 31, 2015, 2014 and 2013, respectively.

The Company's most significant operating lease is a seventy-seven year land lease for IAC's headquarters building in New York City and approximates 53% of the future minimum payments due under all operating lease agreements in the table above.

The Company also has funding commitments that could potentially require its performance in the event of demands by third parties or contingent events as follows:

	Amount of Commitment Expiration Per Period				Total Amounts Committed
	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years	
	(In thousands)				
Purchase obligations	\$ 784	\$ 145	\$ —	\$ —	\$ 929
Letters of credit and surety bonds	1,054	—	67	1,437	2,558
Total commercial commitments	\$ 1,838	\$ 145	\$ 67	\$ 1,437	\$ 3,487

The purchase obligations primarily include advertising commitments. The letters of credit support the Company's casualty insurance program.

NOTE 15—CONTINGENCIES

In the ordinary course of business, the Company is a party to various lawsuits. The Company establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. Management has also identified certain other legal matters where we believe an unfavorable outcome is not probable and, therefore, no reserve is established. Although management currently believes that resolving claims against us, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. The Company also evaluates other contingent matters, including income and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on the liquidity, results of operations, or financial condition of the Company. See Note 3 for additional information related to income tax contingencies.

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 16—SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental Disclosure of Non-Cash Transactions:

The Company recorded acquisition-related contingent consideration liabilities of \$27.4 million, \$8.8 million and \$41.4 million during the years ended December 31, 2015, 2014 and 2013 respectively. See Note 7 for additional information on contingent consideration arrangements.

On November 16, 2015, Match Group exchanged \$445.3 million of 2012 Senior Notes for \$445.2 million of Match Group Senior Notes. See Note 8 for additional information on the note exchange.

Supplemental Disclosure of Cash Flow Information:

	Years Ended December 31,		
	2015	2014	2013
	(In thousands)		
Cash paid (received) during the year for:			
Interest	\$ 51,666	\$ 54,027	\$ 28,705
Income tax payments	70,762	63,521	112,087
Income tax refunds	(5,619)	(10,477)	(17,683)

NOTE 17—RELATED PARTY TRANSACTIONS

IAC and Match Group, in connection with Match Group's IPO, entered into the following agreements:

- A Master Transaction Agreement, under which Match Group agrees to assume all of the assets and liabilities related to its business and agrees to indemnify IAC against any losses arising out of any breach by Match Group of the Master Transaction Agreement or other IPO related agreements;
- An Investor Rights Agreement that provides IAC with (i) specified registration and other rights relating to shares of Match Group's common stock and (ii) anti-dilution rights with respect to Match Group's common stock;
- An Employee Matters Agreement, which governs the respective rights, responsibilities and obligations of IAC and Match Group after the IPO with respect to a range of compensation and benefit issues;
- A Tax Sharing Agreement, which governs the respective rights, responsibilities and obligations of IAC and Match Group with respect to tax liabilities and benefits, entitlement to refunds, preparation of tax returns, tax contests and other tax matters regarding U.S. federal, state, local and foreign income taxes; and
- A Services Agreement, under which IAC has agreed to provide a range of services to Match Group, including, among others, (i) assistance with certain legal, finance, internal audit, treasury, information technology support, insurance and tax affairs, including assistance with certain public company reporting obligations; (ii) payroll processing services; (iii) tax compliance services; and (iv) such other services as to which IAC and Match Group may agree, and Match Group agrees to provide IAC informational technology services and such other services as to which IAC and Match Group may agree.

Each of IAC and Expedia has a 50% ownership interest in two aircraft that may be used by both companies. The Company and Expedia purchased the second of these two aircraft during 2013. The Company paid \$25 million (50% of the total purchase price and refurbish costs) for its interest. Members of the aircrafts' flight crews are employed by an entity in which each of the Company and Expedia has a 50% ownership interest. The Company and Expedia have agreed to share costs relating to flight crew compensation and benefits pro-rata according to each company's respective usage of the aircraft, for

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

which they are separately billed by the entity described above. The Company and Expedia are related parties since they are under common control, given that Mr. Diller serves as Chairman and Senior Executive of both IAC and Expedia. For the years ended December 31, 2015, 2014 and 2013, total payments made to this entity by the Company were not material.

NOTE 18—BENEFIT PLANS

IAC has a retirement savings plan in the United States that qualifies under Section 401(k) of the Internal Revenue Code. Participating employees may contribute up to 50% of their pre-tax earnings, but not more than statutory limits. IAC contributes fifty cents for each dollar a participant contributes in this plan, with a maximum contribution of 3% of a participant's eligible earnings. Matching contributions for the plan for the years ended December 31, 2015, 2014 and 2013 are \$9.1 million, \$7.5 million and \$6.5 million, respectively. Matching contributions are invested in the same manner as each participant's voluntary contributions in the investment options provided under the plan. An investment option in the plan is IAC common stock, but neither participant nor matching contributions are required to be invested in IAC common stock. The increase in matching contributions in 2015 is due primarily to an increase in participation in the plan due to increased headcount and recent acquisitions.

IAC also has or participates in various benefit plans, principally defined contribution plans, for its international employees. IAC's contributions for these plans for the years ended December 31, 2015, 2014 and 2013 are \$2.5 million, \$2.5 million and \$2.6 million, respectively.

NOTE 19—CONSOLIDATED FINANCIAL STATEMENT DETAILS

	December 31,	
	2015	2014
(In thousands)		
Other current assets:		
Prepaid expenses	\$ 40,091	\$ 39,311
Capitalized downloadable search toolbar costs, net	27,929	29,608
Income taxes receivable	26,793	4,505
Production costs	24,804	24,599
Other	54,669	50,726
Other current assets	<u>\$ 174,286</u>	<u>\$ 148,749</u>

	December 31,	
	2015	2014
(In thousands)		
Property and equipment, net:		
Buildings and leasehold improvements	\$ 235,545	\$ 230,577
Computer equipment and capitalized software	239,309	238,960
Furniture and other equipment	88,664	87,788
Projects in progress	18,676	19,551
Land	5,117	5,117
	<u>587,311</u>	<u>581,993</u>
Accumulated depreciation and amortization	(284,494)	(279,534)
Property and equipment, net	<u>\$ 302,817</u>	<u>\$ 302,459</u>

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	December 31,	
	2015	2014
(In thousands)		
Accrued expenses and other current liabilities:		
Accrued employee compensation and benefits	\$ 104,481	\$ 101,830
Accrued advertising expense	87,064	87,485
Accrued revenue share expense	34,111	50,624
Income taxes payable	33,029	41,157
Other	124,566	116,453
Accrued expenses and other current liabilities	<u>\$ 383,251</u>	<u>\$ 397,549</u>

	Years Ended December 31,		
	2015	2014	2013
(In thousands)			
Revenue:			
Service revenue	\$ 3,077,080	\$ 2,957,735	\$ 2,869,822
Product revenue	153,853	151,812	153,165
Revenue	<u>\$ 3,230,933</u>	<u>\$ 3,109,547</u>	<u>\$ 3,022,987</u>

	Years Ended December 31,		
	2015	2014	2013
(In thousands)			
Cost of revenue:			
Cost of service revenue	\$ 652,137	\$ 734,222	\$ 857,825
Cost of product revenue	126,024	125,982	119,532
Cost of revenue	<u>\$ 778,161</u>	<u>\$ 860,204</u>	<u>\$ 977,357</u>

	Years Ended December 31,		
	2015	2014	2013
(In thousands)			
Other income (expense), net:			
Gain on real estate transaction	\$ 34,341	\$ —	\$ —
Impairment of long-term investments	(6,689)	(66,601)	(5,268)
Foreign currency exchange gains (losses), net	5,436	(1,558)	(2,883)
Interest income	4,349	4,352	2,608
Gains on sales of long-term investments and a business	1,005	21,946	35,856
Other	(2,293)	(926)	(4)
Other income (expense), net	<u>\$ 36,149</u>	<u>\$ (42,787)</u>	<u>\$ 30,309</u>

NOTE 20—GUARANTOR AND NON-GUARANTOR FINANCIAL INFORMATION

The 2013 and 2012 Senior Notes are unconditionally guaranteed, jointly and severally, by certain domestic subsidiaries which are 100% owned by the Company. Following the closing of the Match Exchange Offer on November 16, 2015, Match Group and its subsidiaries were designated as unrestricted subsidiaries. The following tables present condensed consolidating financial information at December 31, 2015 and 2014 and for the years ended December 31, 2015, 2014 and 2013 for: IAC, on

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

a stand-alone basis; the combined guarantor subsidiaries of IAC; the combined non-guarantor subsidiaries of IAC; and IAC on a consolidated basis.

Balance sheet at December 31, 2015:

	IAC	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	IAC Consolidated
	(In thousands)				
Cash and cash equivalents	\$ 1,073,053	\$ —	\$ 408,394	\$ —	\$ 1,481,447
Marketable securities	27,578	—	11,622	—	39,200
Accounts receivable, net	33	117,337	132,707	—	250,077
Other current assets	30,813	48,884	94,589	—	174,286
Intercompany receivables	—	570,607	1,029,863	(1,600,470)	—
Property and equipment, net	4,432	201,242	97,143	—	302,817
Goodwill	—	830,642	1,414,722	—	2,245,364
Intangible assets, net	—	139,160	301,668	—	440,828
Investment in subsidiaries	3,128,765	457,063	1,445	(3,587,273)	—
Other non-current assets	89,017	13,428	188,477	(14,991)	275,931
Total assets	\$ 4,353,691	\$ 2,378,363	\$ 3,680,630	\$ (5,202,734)	\$ 5,209,950
Current portion of long-term debt	\$ —	\$ —	\$ 40,000	\$ —	\$ 40,000
Accounts payable, trade	4,711	43,240	38,932	—	86,883
Other current liabilities	62,833	182,848	395,982	—	641,663
Long-term debt, net of current maturities	554,732	—	1,193,481	—	1,748,213
Income taxes payable	152	3,435	30,105	—	33,692
Intercompany liabilities	1,600,470	—	—	(1,600,470)	—
Other long-term liabilities	326,267	18,160	83,847	(14,991)	413,283
Redeemable noncontrolling interests	—	—	30,391	—	30,391
IAC shareholders' equity	1,804,526	2,130,680	1,456,593	(3,587,273)	1,804,526
Noncontrolling interests	—	—	411,299	—	411,299
Total liabilities and shareholders' equity	\$ 4,353,691	\$ 2,378,363	\$ 3,680,630	\$ (5,202,734)	\$ 5,209,950

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Balance sheet at December 31, 2014:

	IAC	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	IAC Consolidated
	(In thousands)				
Cash and cash equivalents	\$ 762,231	\$ —	\$ 228,174	\$ —	\$ 990,405
Marketable securities	159,197	—	1,451	—	160,648
Accounts receivable, net	13	137,593	98,480	—	236,086
Other current assets	20,532	55,422	72,795	—	148,749
Intercompany receivables	—	691,357	1,964,011	(2,655,368)	—
Property and equipment, net	4,950	207,407	90,102	—	302,459
Goodwill	—	840,104	914,822	—	1,754,926
Intangible assets, net	—	243,408	248,528	—	491,936
Investment in subsidiaries	5,035,304	466,165	—	(5,501,469)	—
Other non-current assets	44,610	13,228	113,838	—	171,676
Total assets	\$ 6,026,837	\$ 2,654,684	\$ 3,732,201	\$ (8,156,837)	\$ 4,256,885
Accounts payable, trade	\$ 3,059	\$ 50,761	\$ 27,343	\$ —	\$ 81,163
Other current liabilities	73,491	187,698	331,348	—	592,537
Long-term debt	1,000,000	80,000	—	—	1,080,000
Income taxes payable	2,240	2,929	27,466	—	32,635
Intercompany liabilities	2,655,368	—	—	(2,655,368)	—
Other long-term liabilities	300,726	59,889	76,366	—	436,981
Redeemable noncontrolling interests	—	—	40,427	—	40,427
IAC shareholders' equity	1,991,953	2,273,407	3,228,062	(5,501,469)	1,991,953
Noncontrolling interests	—	—	1,189	—	1,189
Total liabilities and shareholders' equity	\$ 6,026,837	\$ 2,654,684	\$ 3,732,201	\$ (8,156,837)	\$ 4,256,885

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Statement of operations for the year ended December 31, 2015:

	IAC	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	IAC Consolidated
	(In thousands)				
Revenue	\$ —	\$ 1,704,841	\$ 1,536,101	\$ (10,009)	\$ 3,230,933
Operating costs and expenses:					
Cost of revenue (exclusive of depreciation shown separately below)	720	367,704	410,927	(1,190)	778,161
Selling and marketing expense	3,210	852,173	499,053	(8,860)	1,345,576
General and administrative expense	93,090	178,861	253,637	41	525,629
Product development expense	4,311	93,769	87,686	—	185,766
Depreciation	1,918	27,890	32,397	—	62,205
Amortization of intangibles	—	104,180	35,772	—	139,952
Goodwill impairment	—	14,056	—	—	14,056
Total operating costs and expenses	103,249	1,638,633	1,319,472	(10,009)	3,051,345
Operating (loss) income	(103,249)	66,208	216,629	—	179,588
Equity in earnings of unconsolidated affiliates	215,462	13,477	1,204	(229,371)	772
Interest expense	(49,405)	(6,130)	(18,101)	—	(73,636)
Other (expense) income, net	(3,571)	28,077	11,643	—	36,149
Earnings from continuing operations before income taxes	59,237	101,632	211,375	(229,371)	142,873
Income tax benefit (provision)	60,218	(36,425)	(53,309)	—	(29,516)
Earnings from continuing operations	119,455	65,207	158,066	(229,371)	113,357
Earnings (loss) from discontinued operations, net of tax	17	—	(12)	12	17
Net earnings	119,472	65,207	158,054	(229,359)	113,374
Net loss attributable to noncontrolling interests	—	—	6,098	—	6,098
Net earnings attributable to IAC shareholders	\$ 119,472	\$ 65,207	\$ 164,152	\$ (229,359)	\$ 119,472
Comprehensive income attributable to IAC shareholders	\$ 55,069	\$ 61,730	\$ 98,323	\$ (160,053)	\$ 55,069

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Statement of operations for the year ended December 31, 2014:

	IAC	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	IAC Consolidated
	(In thousands)				
Revenue	\$ —	\$ 1,694,844	\$ 1,426,542	\$ (11,839)	\$ 3,109,547
Operating costs and expenses:					
Cost of revenue (exclusive of depreciation shown separately below)	998	438,729	423,230	(2,753)	860,204
Selling and marketing expense	2,138	715,646	437,928	(8,303)	1,147,409
General and administrative expense	105,221	148,026	190,318	45	443,610
Product development expense	6,496	83,216	71,631	(828)	160,515
Depreciation	1,426	26,182	33,548	—	61,156
Amortization of intangibles	—	33,587	24,339	—	57,926
Total operating costs and expenses	116,279	1,445,386	1,180,994	(11,839)	2,730,820
Operating (loss) income	(116,279)	249,458	245,548	—	378,727
Equity in earnings (losses) of unconsolidated affiliates	253,582	(6,440)	451	(257,290)	(9,697)
Interest expense	(51,988)	(4,229)	(97)	—	(56,314)
Other income (expense), net	2,688	12,533	(58,008)	—	(42,787)
Earnings from continuing operations before income taxes	88,003	251,322	187,894	(257,290)	269,929
Income tax benefit (provision)	152,197	(98,198)	(89,371)	—	(35,372)
Earnings from continuing operations	240,200	153,124	98,523	(257,290)	234,557
Earnings from discontinued operations, net of tax	174,673	—	570	(570)	174,673
Net earnings	414,873	153,124	99,093	(257,860)	409,230
Net loss attributable to noncontrolling interests	—	—	5,643	—	5,643
Net earnings attributable to IAC shareholders	\$ 414,873	\$ 153,124	\$ 104,736	\$ (257,860)	\$ 414,873
Comprehensive income attributable to IAC shareholders	\$ 340,219	\$ 144,926	\$ 33,229	\$ (178,155)	\$ 340,219

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Statement of operations for the year ended December 31, 2013:

	IAC	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	IAC Consolidated
	(In thousands)				
Revenue	\$ —	\$ 1,660,113	\$ 1,366,989	\$ (4,115)	\$ 3,022,987
Operating costs and expenses:					
Cost of revenue (exclusive of depreciation shown separately below)	2,456	537,948	439,813	(2,860)	977,357
Selling and marketing expense	2,563	591,543	389,801	(1,133)	982,774
General and administrative expense	97,025	127,731	153,508	(122)	378,142
Product development expense	4,685	77,153	57,921	—	139,759
Depreciation	1,386	27,609	29,914	—	58,909
Amortization of intangibles	—	37,890	21,953	—	59,843
Total operating costs and expenses	108,115	1,399,874	1,092,910	(4,115)	2,596,784
Operating (loss) income	(108,115)	260,239	274,079	—	426,203
Equity in earnings (losses) of unconsolidated affiliates	439,925	38,619	(303)	(484,856)	(6,615)
Interest expense	(29,417)	(3,957)	(222)	—	(33,596)
Other (expense) income, net	(35,331)	(18,653)	84,293	—	30,309
Earnings from continuing operations before income taxes	267,062	276,248	357,847	(484,856)	416,301
Income tax benefit (provision)	16,796	(81,803)	(69,495)	—	(134,502)
Earnings from continuing operations	283,858	194,445	288,352	(484,856)	281,799
Earnings (loss) from discontinued operations, net of tax	1,926	—	(39)	39	1,926
Net earnings	285,784	194,445	288,313	(484,817)	283,725
Net loss attributable to noncontrolling interests	—	—	2,059	—	2,059
Net earnings attributable to IAC shareholders	\$ 285,784	\$ 194,445	\$ 290,372	\$ (484,817)	\$ 285,784
Comprehensive income attributable to IAC shareholders	\$ 304,907	\$ 195,308	\$ 301,073	\$ (496,381)	\$ 304,907

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Statement of cash flows for the year ended December 31, 2015:

	IAC	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	IAC Consolidated
(In thousands)				
Net cash (used in) provided by operating activities attributable to continuing operations	\$ (139,227)	\$ 235,424	\$ 253,208	\$ 349,405
Cash flows from investing activities attributable to continuing operations:				
Acquisitions, net of cash acquired	—	(6,078)	(611,324)	(617,402)
Capital expenditures	(1,332)	(23,628)	(37,089)	(62,049)
Proceeds from maturities and sales of marketable debt securities	218,462	—	—	218,462
Purchases of marketable debt securities	(93,134)	—	—	(93,134)
Proceeds from sales of long-term investments and a business	1,277	—	8,136	9,413
Purchases of long-term investments	(6,978)	—	(27,492)	(34,470)
Other, net	3,613	(364)	(6,790)	(3,541)
Net cash provided by (used in) investing activities attributable to continuing operations	121,908	(30,070)	(674,559)	(582,721)
Cash flows from financing activities attributable to continuing operations:				
Borrowings under Match Group Term Loan	—	—	788,000	788,000
Debt issuance costs	(1,876)	—	(17,174)	(19,050)
Fees and expenses related to note exchange	—	—	(6,954)	(6,954)
Principal payments on long-term debt	—	(80,000)	—	(80,000)
Proceeds from Match Group initial public offering, net of fees and expenses	—	—	428,789	428,789
Purchase of treasury stock	(200,000)	—	—	(200,000)
Dividends	(113,196)	—	—	(113,196)
Issuance of common stock, net of withholding taxes	(38,418)	—	—	(38,418)
Repurchase of stock-based awards	—	—	(23,431)	(23,431)
Excess tax benefits from stock-based awards	18,034	—	38,384	56,418
Purchase of noncontrolling interests	—	—	(32,207)	(32,207)
Acquisition-related contingent consideration payments	—	(240)	(5,510)	(5,750)
Intercompany	683,571	(125,114)	(558,457)	—
Other, net	(19,834)	—	441	(19,393)
Net cash provided by (used in) financing activities attributable to continuing operations	328,281	(205,354)	611,881	734,808
Total cash provided by continuing operations	310,962	—	190,530	501,492
Total cash used in discontinued operations	(140)	—	(12)	(152)
Effect of exchange rate changes on cash and cash equivalents	—	—	(10,298)	(10,298)
Net increase in cash and cash equivalents	310,822	—	180,220	491,042
Cash and cash equivalents at beginning of period	762,231	—	228,174	990,405
Cash and cash equivalents at end of period	\$ 1,073,053	\$ —	\$ 408,394	\$ 1,481,447

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Statement of cash flows for the year ended December 31, 2014:

	IAC	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	IAC Consolidated
(In thousands)				
Net cash (used in) provided by operating activities attributable to continuing operations	\$ (109,745)	\$ 326,206	\$ 207,587	\$ 424,048
Cash flows from investing activities attributable to continuing operations:				
Acquisitions, net of cash acquired	—	(100,683)	(158,708)	(259,391)
Capital expenditures	(1,843)	(27,755)	(27,635)	(57,233)
Proceeds from maturities and sales of marketable debt securities	21,644	—	—	21,644
Purchases of marketable debt securities	(175,826)	—	—	(175,826)
Proceeds from sales of long-term investments and a business	—	—	58,388	58,388
Purchases of long-term investments	(4,800)	(2,087)	(17,447)	(24,334)
Other, net	(2,000)	11	(1,053)	(3,042)
Net cash used in investing activities attributable to continuing operations	(162,825)	(130,514)	(146,455)	(439,794)
Cash flows from financing activities attributable to continuing operations:				
Debt issuance costs	(383)	—	—	(383)
Dividends	(97,338)	—	—	(97,338)
Issuance of common stock, net of withholding taxes	1,609	—	—	1,609
Excess tax benefits from stock-based awards	29,186	—	15,771	44,957
Purchase of noncontrolling interests	—	—	(33,165)	(33,165)
Acquisition-related contingent consideration payment	—	(736)	(7,373)	(8,109)
Funds transferred to escrow for Meetic tender offer	—	—	12,354	12,354
Intercompany	321,192	(193,672)	(127,520)	—
Other, net	—	(1,310)	405	(905)
Net cash provided by (used in) financing activities attributable to continuing operations	254,266	(195,718)	(139,528)	(80,980)
Total cash used in continuing operations	(18,304)	(26)	(78,396)	(96,726)
Total cash used in discontinued operations	(116)	—	(29)	(145)
Effect of exchange rate changes on cash and cash equivalents	—	26	(13,194)	(13,168)
Net decrease in cash and cash equivalents	(18,420)	—	(91,619)	(110,039)
Cash and cash equivalents at beginning of period	780,651	—	319,793	1,100,444
Cash and cash equivalents at end of period	\$ 762,231	\$ —	\$ 228,174	\$ 990,405

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Statement of cash flows for the year ended December 31, 2013:

	IAC	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	IAC Consolidated
(In thousands)				
Net cash (used in) provided by operating activities attributable to continuing operations	\$ (84,317)	\$ 336,453	\$ 158,825	\$ 410,961
Cash flows from investing activities attributable to continuing operations:				
Acquisitions, net of cash acquired	—	(1,356)	(39,078)	(40,434)
Capital expenditures	(1,387)	(54,377)	(24,547)	(80,311)
Proceeds from maturities and sales of marketable debt securities	12,502	—	—	12,502
Proceeds from sales of long-term investments and assets	7,839	—	75,252	83,091
Purchases of long-term investments	(17,814)	—	(33,266)	(51,080)
Other, net	—	220	(3,749)	(3,529)
Net cash provided by (used in) investing activities attributable to continuing operations	1,140	(55,513)	(25,388)	(79,761)
Cash flows from financing activities attributable to continuing operations:				
Debt issuance costs	(7,399)	—	—	(7,399)
Proceeds from issuance of long-term debt	500,000	—	—	500,000
Principal payments on long-term debt	(15,844)	—	—	(15,844)
Purchase of treasury stock	(264,214)	—	—	(264,214)
Dividends	(79,189)	—	—	(79,189)
Issuance of common stock, net of withholding taxes	(5,077)	—	—	(5,077)
Excess tax benefits from stock-based awards	21,317	—	11,574	32,891
Purchase of noncontrolling interests	—	—	(67,947)	(67,947)
Acquisition-related contingent consideration payments	—	(256)	—	(256)
Funds transferred to escrow for Meetic tender offer	—	—	(71,512)	(71,512)
Intercompany	216,730	(279,779)	63,049	—
Other, net	—	(917)	(2,870)	(3,787)
Net cash provided by (used in) financing activities attributable to continuing operations	366,324	(280,952)	(67,706)	17,666
Total cash provided by (used in) continuing operations	283,147	(12)	65,731	348,866
Total cash used in discontinued operations	(1,828)	—	(49)	(1,877)
Effect of exchange rate changes on cash and cash equivalents	—	12	3,466	3,478
Net increase in cash and cash equivalents	281,319	—	69,148	350,467
Cash and cash equivalents at beginning of period	499,332	—	250,645	749,977
Cash and cash equivalents at end of period	\$ 780,651	\$ —	\$ 319,793	\$ 1,100,444

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

NOTE 21—QUARTERLY RESULTS (UNAUDITED)

	Quarter Ended March 31 ^(a)	Quarter Ended June 30 ^(a)	Quarter Ended September 30 ^(a)	Quarter Ended December 31 ^(b)
(In thousands, except per share data)				
Year Ended December 31, 2015				
Revenue	\$ 772,512	\$ 771,132	\$ 838,561	\$ 848,728
Cost of revenue	186,737	177,963	199,377	214,084
Operating income (expense)	35,119	62,769	87,130	(5,430)
Earnings (loss) from continuing operations	21,863	57,885	65,026	(31,417)
Earnings (loss) from discontinued operations, net of tax	125	(153)	17	28
Net earnings (loss)	21,988	57,732	65,043	(31,389)
Net earnings (loss) attributable to IAC shareholders	26,405	59,305	65,611	(31,849)
Per share information attributable to IAC shareholders:				
Basic earnings (loss) per share from continuing operations ^(e)	\$ 0.31	\$ 0.72	\$ 0.79	\$ (0.38)
Diluted earnings (loss) per share from continuing operations ^(e)	\$ 0.30	\$ 0.68	\$ 0.74	\$ (0.38)
Basic earnings (loss) per share ^(e)	\$ 0.32	\$ 0.72	\$ 0.79	\$ (0.38)
Diluted earnings (loss) per share ^(e)	\$ 0.30	\$ 0.68	\$ 0.74	\$ (0.38)

	Quarter Ended March 31 ^(a)	Quarter Ended June 30 ^{(a)(c)}	Quarter Ended September 30 ^{(a)(d)}	Quarter Ended December 31 ^(e)
(In thousands, except per share data)				
Year Ended December 31, 2014				
Revenue	\$ 740,247	\$ 756,315	\$ 782,231	\$ 830,754
Cost of revenue	202,745	205,295	218,452	233,712
Operating income	71,712	95,690	100,953	110,372
Earnings (loss) from continuing operations	34,305	(17,995)	150,261	67,986
(Loss) earnings from discontinued operations, net of tax	(814)	(868)	175,730	625
Net earnings (loss)	33,491	(18,863)	325,991	68,611
Net earnings (loss) attributable to IAC shareholders	35,885	(17,996)	326,812	70,172
Per share information attributable to IAC shareholders:				
Basic earnings (loss) per share from continuing operations ^(e)	\$ 0.44	\$ (0.21)	\$ 1.81	\$ 0.83
Diluted earnings (loss) per share from continuing operations ^(e)	\$ 0.42	\$ (0.21)	\$ 1.70	\$ 0.78
Basic earnings (loss) per share ^(e)	\$ 0.44	\$ (0.22)	\$ 3.91	\$ 0.84
Diluted earnings (loss) per share ^(e)	\$ 0.41	\$ (0.22)	\$ 3.68	\$ 0.78

(a) During the fourth quarter of 2015, certain expenses were reclassified between cost of revenue and selling and marketing expense. Accordingly, cost of revenue presented above for periods prior to the fourth quarter of 2015 differs from the amounts reflected in the Company's quarterly reports on Form 10-Q for the first, second and third quarters of 2015 and 2014 and for the fourth quarter of 2014 reflected in the Company's annual report on Form 10-K.

IAC/INTERACTIVECORP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- (b) The fourth quarter of 2015 includes after-tax impairment charges related to indefinite-lived intangible assets and goodwill of \$55.3 million and \$14.1 million, respectively.
- (c) The second quarter of 2014 includes an after-tax other-than-temporary impairment charge of \$63.6 million related to the write-down of certain cost method investments to fair value.
- (d) (Loss) earnings from discontinued operations, net of tax, in the third quarter of 2014 includes the release of tax reserves as a result of the expiration of the statutes of limitations for federal income taxes for the years 2001 through 2009.
- (e) Quarterly per share amounts may not add to the related annual per share amount because of differences in the average common shares outstanding during each period.

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

Not applicable.

Item 9A. Controls and Procedures

Conclusion Regarding the Effectiveness of the Company's Disclosure Controls and Procedures

The Company monitors and evaluates on an ongoing basis its disclosure controls and procedures in order to improve their overall effectiveness. In the course of these evaluations, the Company modifies and refines its internal processes as conditions warrant.

As required by Rule 13a-15(b) of the Exchange Act, IAC management, including the Chairman and Senior Executive, the Chief Executive Officer and the Acting Principal Financial Officer, conducted an evaluation, as of the end of the period covered by this report, of the effectiveness of the Company's disclosure controls and procedures as defined in Exchange Act Rule 13a-15(e). Based on this evaluation, the Chairman and Senior Executive, the Chief Executive Officer and the Acting Principal Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Report on Internal Control Over Financial Reporting

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) for the Company. The 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 accounting principles generally accepted in the United States. Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2015. In making this assessment, our management used the criteria for effective internal control over financial reporting described in "Internal Control—Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. Based on this assessment, management has determined that, as of December 31, 2015, the Company's internal control over financial reporting is effective. The effectiveness of our internal control over financial reporting as of December 31, 2015 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their attestation report, included herein.

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.

Changes in Internal Control Over Financial Reporting

The Company monitors and evaluates on an ongoing basis its internal control over financial reporting in order to improve its overall effectiveness. In the course of these evaluations, the Company modifies and refines its internal processes as conditions warrant. As required by Rule 13a-15(d), IAC management, including the Chairman and Senior Executive, the Chief Executive Officer and the Acting Principal Financial Officer, also conducted an evaluation of the Company's internal control over financial reporting to determine whether any changes occurred during the quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. Based on that evaluation, there has been no such change during the quarter ended December 31, 2015.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of IAC/InterActiveCorp

We have audited IAC/InterActiveCorp's internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). IAC/InterActiveCorp's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

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.

In our opinion, IAC/InterActiveCorp maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of IAC/InterActiveCorp and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2015 and our report dated February 29, 2016 expressed an unqualified opinion thereon.

/s/ ERNST & YOUNG LLP

New York, New York
February 29, 2016

Item 9B. Other Information

Not applicable.

PART III

The information required by Part III (Items 10, 11, 12, 13 and 14) has been incorporated herein by reference to IAC's definitive Proxy Statement to be used in connection with its 2016 Annual Meeting of Stockholders (the "2016 Proxy Statement"), as set forth below in accordance with General Instruction G(3) of Form 10-K.

Item 10. Directors, Executive Officers and Corporate Governance

The information required by Items 401 and 405 of Regulation S-K relating to directors and executive officers of IAC and their compliance with Section 16(a) of the Exchange Act is set forth in the sections entitled "Information Concerning Director Nominees" and "Information Concerning IAC Executive Officers Who Are Not Directors," and "Section 16(a) Beneficial Ownership Reporting Compliance," respectively, in the 2016 Proxy Statement and is incorporated herein by reference. The information required by Item 406 of Regulation S-K relating to IAC's Code of Ethics is set forth under the caption "Part I-Item 1-Business-Description of IAC Businesses-Additional Information-Code of Ethics" of this annual report and is incorporated herein by reference. The information required by subsections (c)(3), (d)(4) and (d)(5) of Item 407 of Regulation S-K is set forth in the sections entitled "Corporate Governance" and "The Board and Board Committees" in the 2016 Proxy Statement and is incorporated herein by reference.

Item 11. Executive Compensation

The information required by Item 402 of Regulation S-K relating to executive and director compensation is set forth in the sections entitled "Executive Compensation" and "Director Compensation" in the 2016 Proxy Statement and is incorporated herein by reference. The information required by subsections (e)(4) and (e)(5) of Item 407 of Regulation S-K relating to certain compensation committee matters is set forth in the sections entitled "The Board and Board Committees," "Compensation Committee Report" and "Compensation Committee Interlocks and Insider Participation" in the 2016 Proxy Statement and is incorporated herein by reference; provided, that the information set forth in the section entitled "Compensation Committee Report" shall be deemed furnished herein and shall not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.

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

The information regarding ownership of IAC common stock and Class B common stock required by Item 403 of Regulation S-K and securities authorized for issuance under IAC's various equity compensation plans required by Item 201(d) of Regulation S-K is set forth in the sections entitled "Security Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information," respectively, in the 2016 Proxy Statement and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information regarding certain relationships and related transactions involving IAC required by Item 404 of Regulation S-K and director independence determinations required by Item 407(a) of Regulation S-K is set forth in the sections entitled "Certain Relationships and Related Person Transactions" and "Corporate Governance," respectively, in the 2016 Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

Information required by Item 9(e) of Schedule 14A regarding the fees and services of IAC's independent registered public accounting firm and the pre-approval policies and procedures applicable to services provided to IAC by such firm is set forth in the sections entitled "Fees Paid to Our Independent Registered Public Accounting Firm" and "Audit and Non-Audit Services Pre-Approval Policy," respectively, in the 2016 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) List of documents filed as part of this Report:

(1) Consolidated Financial Statements of IAC

Report of Independent Registered Public Accounting Firm: Ernst & Young LLP.

Consolidated Balance Sheet as of December 31, 2015 and 2014.

Consolidated Statement of Operations for the Years Ended December 31, 2015, 2014 and 2013.

Consolidated Statement of Comprehensive Income for the Years Ended December 31, 2015, 2014 and 2013.

Consolidated Statement of Shareholders' Equity for the Years Ended December 31, 2015, 2014 and 2013.

Consolidated Statement of Cash Flows for the Years Ended December 31, 2015, 2014 and 2013.

Notes to Consolidated Financial Statements.

(2) Consolidated Financial Statement Schedule of IAC

<u>Schedule Number</u>	
II	Valuation and Qualifying Accounts.

All other financial statements and schedules not listed have been omitted since the required information is either included in the Consolidated Financial Statements or the notes thereto, is not applicable or is not required.

(3) Exhibits

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

Exhibit No.	Description	Location
2.1	Stock Purchase Agreement, dated as of July 13, 2015, by and among Match.com Inc., Plentyoffish Media Inc., Markus Frind, Markus Frind Family Trust No. 2, and Frind Enterprises Ltd.	Exhibit 2.1 to the Registrant's Current Report on Form 8-K, filed on July 17, 2015.
3.1	Restated Certificate of Incorporation of IAC/InterActiveCorp.	Exhibit 3.1 to the Registrant's Registration Statement on Form 8-A/A, filed on August 12, 2005.
3.2	Certificate of Amendment of the Restated Certificate of Incorporation of IAC/InterActiveCorp.	Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on August 22, 2008.
3.3	Amended and Restated By-laws of IAC/InterActiveCorp (amended and restated as of December 1, 2010).	Exhibit 3.1(II) to the Registrant's Current Report on Form 8-K, filed on December 6, 2010.
4.1	Indenture for 4.75% Senior Notes due 2022, dated as of December 21, 2012, among IAC/InterActiveCorp, the Guarantors named therein and Computershare Trust Company, N.A., as Trustee.	Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.
4.2	Supplemental Indenture for 4.75% Senior Notes due 2022, dated as of May 30, 2013, among IAC/InterActiveCorp, the Guarantors named therein and Computershare Trust Company, N.A., as Trustee.	Exhibit 4.4 to the Registrant's Registration Statement on Form S-4, as amended, filed on June 5, 2013.
4.3	Indenture for 4.875% Senior Notes due 2018, dated as of November 15, 2013, among IAC/InterActiveCorp, the Guarantors named therein and Computershare Trust Company, N.A., as Trustee.	Exhibit 4.1 to the Registrant's Registration Statement on Form S-4, filed on December 13, 2013.
4.4	Supplemental Indenture for 4.75% Senior Notes due 2022, dated as of March 12, 2014, among IAC/InterActiveCorp, the Guarantors named therein and Computershare Trust Company, N.A., as Trustee.	Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2014.
4.5	Supplemental Indenture for 4.875% Senior Notes due 2018, dated as of March 12, 2014, among IAC/InterActiveCorp, the Guarantors named therein and Computershare Trust Company, N.A., as Trustee.	Exhibit 4.2 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2014.
4.6	Supplemental Indenture for 4.75% Senior Notes due 2022, dated as of May 1, 2014, among IAC/InterActiveCorp, the Guarantor named therein and Computershare Trust Company, N.A., as Trustee.	Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2014.
4.7	Supplemental Indenture for 4.875% Senior Notes due 2018, dated as of May 1, 2014, among IAC/InterActiveCorp, the Guarantor named therein and Computershare Trust Company, N.A., as Trustee.	Exhibit 4.2 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2014.
4.8	Supplemental Indenture for 4.75% Senior Notes due 2022, dated as of May 15, 2014, among IAC/InterActiveCorp, the Guarantors named therein and Computershare Trust Company, N.A., as Trustee.	Exhibit 4.3 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2014.
4.9	Supplemental Indenture for 4.875% Senior Notes due 2018, dated as of May 15, 2014, among IAC/InterActiveCorp, the Guarantors named therein and Computershare Trust Company, N.A., as Trustee.	Exhibit 4.4 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2014.

4.10	Supplemental Indenture for 4.75% Senior Notes due 2022, dated as of October 30, 2015, among IAC/InterActiveCorp, the Guarantors named therein and Computershare Trust Company, N.A., as Trustee.	Exhibit 4.3 to the Registrant's Current Report on Form 8-K, filed on November 20, 2015.
4.11	Indenture, dated November 16, 2015, between Match Group, Inc. and Computershare Trust Company, N.A., as Trustee.	Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed on November 20, 2015.
4.12	Registration Rights Agreement, dated November 16, 2015, among Match Group, Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and the other Dealer Managers party thereto.	Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed on November 20, 2015.
10.1	Amended and Restated Governance Agreement, dated as of August 9, 2005, among the Registrant, Liberty Media Corporation and Barry Diller.	Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2005.
10.2	Letter Agreement, dated as of December 1, 2010, by and among the Registrant, Liberty Media Corporation, Liberty USA Holdings, LLC and Barry Diller.	Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on December 6, 2010.
10.3	Letter Agreement, dated as of December 1, 2010, by and between the Registrant and Barry Diller.	Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed on December 6, 2010.
10.4	IAC/InterActiveCorp 2013 Stock and Annual Incentive Plan.(1)	Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2013.
10.5	Form of Terms and Conditions for Stock Options granted under the IAC/InterActiveCorp 2013 Stock and Annual Incentive Plan.(1)	Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.
10.6	Form of Terms and Conditions for Restricted Stock Units granted under the IAC/InterActiveCorp 2013 Stock and Annual Incentive Plan.(1)	Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.
10.7	IAC/InterActiveCorp 2008 Stock and Annual Incentive Plan.(1)	Annex F to the Registrant's Definitive Proxy Statement, filed on July 10, 2008.
10.8	Form of Terms and Conditions for Stock Options granted under the IAC/InterActiveCorp 2008 Stock and Annual Incentive Plan.(1)	Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2008.
10.9	Form of Terms and Conditions for Restricted Stock Units granted under the IAC/InterActiveCorp 2008 Stock and Annual Incentive Plan.(1)	Exhibit 10.7 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.
10.10	IAC/InterActiveCorp 2005 Stock and Annual Incentive Plan.(1)	Exhibit 10.8 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2008.
10.11	Form of Terms and Conditions for Stock Options granted under the IAC/InterActiveCorp 2005 Stock and Annual Incentive Plan.(1)	Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2008.
10.12	Summary of Non-Employee Director Compensation Arrangements.(1)	Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2009.
10.13	2011 IAC/InterActiveCorp Deferred Compensation Plan for Non-Employee Directors.(1)	Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2011.
10.14	Second Amended and Restated Employment Agreement between Victor A. Kaufman and the Registrant, dated as of March 15, 2012.(1)	Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2012.
10.15	Employment Agreement between Gregg Winiarski and the Registrant, dated as of February 26, 2010.(1)	Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2010.
10.16	Google Services Agreement, dated as of January 1, 2008, between the Registrant and Google Inc.	Exhibit 10.25 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

10.17	Amendment No. 4 to Google Services Agreement, dated as of April 1, 2011, between the Registrant and Google Inc.	Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2011.
10.18	Google Services Agreement, dated as of October 26, 2015, between the Registrant and Google Inc.(2)(3)	
10.19	Amended and Restated Credit Agreement, dated as of October 7, 2015, among IAC/InterActiveCorp, as Borrower, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other parties thereto. (2)(4)	
10.20	Master Transaction Agreement, dated as of November 24, 2015, by and between Match Group, Inc. and IAC/InterActiveCorp.	Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on November 24, 2015.
10.21	Employee Matters Agreement, dated as of November 24, 2015, by and between Match Group, Inc. and IAC/InterActiveCorp.	Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed on November 24, 2015.
10.22	Investor Rights Agreement, dated as of November 24, 2015, by and between Match Group, Inc. and IAC/InterActiveCorp.	Exhibit 10.3 to the Registrant's Current Report on Form 8-K, filed on November 24, 2015.
10.23	Tax Sharing Agreement, dated as of November 24, 2015, by and between Match Group, Inc. and IAC/InterActiveCorp.	Exhibit 10.4 to the Registrant's Current Report on Form 8-K, filed on November 24, 2015.
10.24	Services Agreement, dated as of November 24, 2015, by and between Match Group, Inc. and IAC/InterActiveCorp.	Exhibit 10.5 to the Registrant's Current Report on Form 8-K, filed on November 24, 2015.
10.25	Incremental Assumption Agreement and Amendment No. 1, dated as of November 16, 2015, among Match Group, Inc. and certain subsidiaries thereof, JPMorgan Chase Bank, N.A., as Term B-1 Lender, JPMorgan Chase Bank, N.A., as Administrative Agent and Lender, and the other Lenders party thereto.	Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on November 20, 2015.
10.26	Amended and Restated Credit Agreement, dated as of November 16, 2015, among Match Group, Inc., as Borrower, the Lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other parties thereto.	Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed on November 20, 2015.
21.1	Subsidiaries of the Registrant as of December 31, 2015.(2)	
23.1	Consent of Ernst & Young LLP.(2)	
31.1	Certification of the Chairman and Senior Executive pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(2)	
31.2	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(2)	
31.3	Certification of the Acting Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(2)	

32.1	Certification of the Chairman and Senior Executive pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(5)
32.2	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.(5)
32.3	Certification of the Acting Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(5)
101.INS	XBRL Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation
101.DEF	XBRL Taxonomy Extension Definition
101.LAB	XBRL Taxonomy Extension Labels
101.PRE	XBRL Taxonomy Extension Presentation

- (1) Reflects management contracts and management and director compensatory plans.
- (2) Filed herewith.
- (3) Certain portions of this document have been omitted pursuant to a confidential treatment request.
- (4) Certain schedules and similar attachments have been omitted and the Registrant hereby agrees to furnish a copy of any omitted schedule or similar attachment to the SEC upon request.
- (5) Furnished herewith.

IAC/INTERACTIVECORP AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS

<u>Description</u>	<u>Balance at Beginning of Period</u>	<u>Charges to Earnings</u>	<u>Charges to Other Accounts</u>	<u>Deductions</u>	<u>Balance at End of Period</u>
	(In thousands)				
2015					
Allowance for doubtful accounts and revenue reserves	\$ 12,437	\$ 17,912 ⁽¹⁾	\$ (536)	\$ (13,285) ⁽⁴⁾	\$ 16,528
Sales returns accrual	1,119	17,569	—	(17,860)	828
Deferred tax valuation allowance	98,350	(6,072) ⁽²⁾	(1,796) ⁽³⁾	—	90,482
Other reserves	2,204				2,801
2014					
Allowance for doubtful accounts and revenue reserves	\$ 8,540	\$ 15,226 ⁽¹⁾	\$ (116)	\$ (11,213) ⁽⁴⁾	\$ 12,437
Sales returns accrual	1,208	19,743	—	(19,832)	1,119
Deferred tax valuation allowance	62,353	35,119 ⁽⁵⁾	878 ⁽⁶⁾	—	98,350
Other reserves	2,518				2,204
2013					
Allowance for doubtful accounts and revenue reserves	\$ 8,775	\$ 12,275 ⁽¹⁾	\$ 564	\$ (13,074) ⁽⁴⁾	\$ 8,540
Magazine publishing allowance for newsstand returns	2,313	164 ⁽⁷⁾	45	(2,522) ⁽⁸⁾	—
Sales returns accrual	1,244	19,176	—	(19,212)	1,208
Deferred tax valuation allowance	60,783	8,864 ⁽⁹⁾	(7,294) ⁽¹⁰⁾	—	62,353
Other reserves	1,925				2,518

(1) Additions to the allowance for doubtful accounts are charged to expense. Additions to the revenue reserves are charged against revenue.

(2) Amount is primarily related to the release of a valuation allowance on the other-than-temporary impairment charges for certain cost method investments, partially offset by an increase in federal, foreign and state net operating and capital losses.

(3) Amount is primarily related to a net reduction in unbenefited unrealized losses on available-for-sale marketable equity securities included in accumulated other comprehensive income and currency translation adjustments on foreign net operating losses.

(4) Write-off of fully reserved accounts receivable.

(5) Amount is primarily related to other-than-temporary impairment charges for certain cost method investments and an increase in federal net operating losses, foreign tax credits, and state tax credits.

(6) Amount is primarily related to unbenefited unrealized losses on long-term marketable equity securities included in accumulated other comprehensive income, partially offset by currency translation adjustments on foreign net operating losses.

(7) Additions to the magazine publishing allowance for newsstand returns are related to magazine publishing at Newsweek and were charged against revenue. The Newsweek print business was transitioned to a digital only publication in December 2012 and was subsequently sold in August 2013.

(8) Amount represents returns of magazines at Newsweek. The Newsweek print business was transitioned to a digital only publication in December 2012 and was subsequently sold in August 2013.

- (9) Amount is primarily related to foreign and federal net operating losses, partially offset by a decrease in deferred tax assets for investments in subsidiaries and available-for-sale securities.
- (10) Amount is primary related to the release of a valuation allowance on unrealized gains on long-term marketable equity securities included in accumulated other comprehensive income.

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT A CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE COMMISSION: [***].



GOOGLE SERVICES AGREEMENT

COMPANY INFORMATION

COMPANY: IAC/InterActiveCorp, on behalf of itself and all of its Affiliates whose Sites are included in this Agreement			
	Business Contact:	Legal Contact:	Technical Contact:
Name:	Mark Stein	Gregg Winiarski	As Provided by Company for each Company Site Affiliate
Title:	SVP & Chief Strategy Officer	EVP & General Counsel	
Address, City, State, Postal Code:	555 W. 18 th Street New York, NY 10011	555 W. 18 th Street New York, NY 10011	
Phone:	212 314-7288	212 314-7376	
Email:	Mark.Stein@iac.com	Gregg.Winiarski@iac.com	

TERM

TERM: Starting on April 1, 2016 (“**Effective Date**”) and continuing through March 31, 2020 (inclusive)

[***]

[***]	[***]
[***]	[***]

IMAGE SEARCH SERVICE (“IS”)	Search Fees
Sites approved for IS: See Exhibit A	[***]

ADVERTISING SERVICES

ADSENSE FOR SEARCH (“AFS”)	AFS Revenue Share Percentage
Sites approved for AFS: See Exhibit A Approved Client Applications for AFS: See Exhibit A	See Exhibit B

ADSENSE FOR CONTENT (“AFC”)	AFC Revenue Share Percentage
Sites approved for AFC: See Exhibit A	[***]

CURRENCY

AUD JPY CAD KRW EUR USD GBP Other
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This Google Services Agreement (“**Agreement**”) is entered into by Google Inc. and Google Ireland Limited (“**Google**”) and IAC/InterActiveCorp and IAC Search & Media Europe Limited (“**Company**”) and is effective as of the Effective Date. In the event that Services are provided to a Company entity that is organized in: (i) the Americas, then Google Inc. is the entity that provides and IAC/InterActiveCorp (or its designated Affiliate) is the entity that receives such Services; and (ii) Europe, the Middle East, Africa, Asia or Oceania, then Google Ireland Limited is the entity that provides and IAC Search & Media Europe Limited (or its designated Affiliate) is the entity that receives such Services; and “Google” and “Company” as used in this Agreement will be construed accordingly.

1. Definitions. In this Agreement:

1.1. [***].

1.2. “**Ad**” means an individual advertisement provided through the applicable Advertising Service.

1.3. “**Ad Revenues**” means, for any period during the Term, revenues that are recognized by Google in connection with Company’s use of the applicable Advertising Service and attributed to Ads in that period. [***].

1.4. “**Ad Set**” means a set of one or more Ads.

1.5. “**Advertising Services**” means the advertising services selected on the front pages of this Agreement.

1.6. “**AFC RPM**” means AFC Ad Revenues per one thousand AFC Requests.

1.7. “**Affiliate**” means any entity that directly or indirectly controls, is controlled by, or is under common control with, a party, or any entity that directly or indirectly owns, is owned by, or is under common ownership with, a party. [***].

1.8. [***].

1.9. [***].

1.10. “**Brand Features**” means each party’s trade names, trademarks, service marks, logos, domain names, and other distinctive brand features.

1.11. “**Browser Addressbar**” means a web browser’s address bar [***].

1.12. [***].

1.13. “**Client Application**” means any application, plug-in, helper, component or other executable code that runs on a user’s computer.

1.14. “**Client Application Guidelines**” means the policy guidelines [***] attached hereto in **Exhibit E**, [***].

1.15. “**Company Client Application**” means any Client Application [***].

1.16. “**Company Content**” means any content served to End Users that is not provided by Google.

1.17. “**Company Site Affiliate**” means an Affiliate of Company (a) that is the owner and operator of a Site [***], or (b) [***].

1.18. “**Confidential Information**” means information that one party (or an Affiliate of a party) discloses to the other party under this Agreement, and that is marked as confidential or would reasonably be considered confidential information under the circumstances. It does not include information that the recipient already knew, that becomes public through no fault of the recipient or its Affiliates, that was independently developed by the recipient or its Affiliates without reference to other party’s Confidential Information, or that was lawfully given to the recipient or its Affiliates by a third party.

1.19. [***].

1.20. “**End Users**” means individual human end users [***].

1.21. [***].

1.22. [***].

1.23. “**Google Branding Guidelines**” means the brand treatment guidelines applicable to the Services [***].

1.24. “**Google Program Guidelines**” means the policy and implementation guidelines applicable to the Services [***].

1.25. “**Google Signature Date**” means the earliest date that both Google Inc. and Google Ireland Limited have signed this Agreement.

1.26. “**Intellectual Property Rights**” means all copyrights, moral rights, patent rights, trademarks, rights in or relating to Confidential Information and any other intellectual property or similar rights (registered or unregistered) throughout the world.

1.27. [***].

1.28. [***].

1.29. [***].

1.30. “**Net Ad Revenues**” means, for each of the Advertising Services, for any period during the Term, Ad Revenues for that period [***].

1.31. “**Request**” means a request [***] to Google for [***] an Ad Set (as applicable).

1.32. “**Results**” means [***] Ad Sets or Ads.

1.33. “**Results Page**” means any Site page [***] that contains any Results.

1.34. “**Search Box**” means a search box [***] for the purpose of sending search queries to Google as part of a Request.

1.35. [***].

1.36. “**Search Query**” means (a) a text query entered and submitted by an End User [***].

1.37. [***].

1.38. [***].

1.39. [***].

1.40. “**Services**” means the Advertising Services [***].

1.41. “**Site(s)**” means the website(s) located at the URL(s) referenced on the front pages of this Agreement, together with the additional URL(s) identified by Company from time to time under subsection 12.3(a) below [***].

1.42. [***].

1.43. [***].

1.44. [***].

1.45. [***].

1.46. [***].

2. **Launch, Implementation and Maintenance of Services.**

2.1. [***].

2.2. **Implementation and Maintenance.**

(a) For the remainder of the Term, Google will make available and Company will implement and maintain one or more of the Services on each of the Sites [***].

(b) Company will ensure that [***] Company or a Company Site Affiliate:

(i) is the technical and editorial decision maker in relation to each page, including Results Pages [***] on which the Services are implemented; and

(ii) has control over the way in which the Services are implemented on each of those pages [***].

(c) Company will ensure that the Services are implemented and maintained in accordance with:

(i) the applicable Google Branding Guidelines;

(ii) the applicable Google Program Guidelines;

(iii) Google technical protocols (if any) and any other technical requirements and specifications applicable to the Services that are provided to Company by Google from time to time.

(d) For each AFS Request, Company will request [***] AFS Ads [***].

(e) Company will ensure that (i) every AFS Request is generated by a Search Query and (ii) every AFS Request contains the Search Query that generated that Request.

(f) Google will, upon receiving a Request sent in compliance with this Agreement, provide [***] an Ad Set [***] when available. Company will then [***], display the [***] Ad Set (as applicable) on the applicable Site [***].

(g) Company will ensure that at all times during the applicable Term, Company or the relevant Company Site Affiliate:

(i) has a clearly labeled and easily accessible privacy policy in place [***]; and

(ii) [***].

(h) [***].

2.3. **Company Site Affiliates.** Company is responsible for any use of and access to the Services, including Results, by any Company Site Affiliate. If the conduct of a Company Site Affiliate would be a breach of this Agreement had the conduct been performed by Company, such Company Site Affiliate conduct will be treated as Company's breach of this Agreement. [***].

2.4. [***] Company will ensure that every Search Query generates a Request for an AFS Ad Set [***].

2.5. [***].

2.6. [***].

(a) [***].

(b) [***].

(c) [***].

2.7. [***].

2.8. [***].

3. Policy and Compliance Obligations.

3.1. **Policy Obligations.** Company will not [***]:

(a) modify, obscure or prevent the display of all, or any part of, any Results [***];

- (b) edit, modify, truncate, filter or change the order of the information contained in any Ad Set or Ad Results (either individually or collectively) [***];
- (c) edit, filter, truncate, append terms to or otherwise modify any Search Query [***];
- (d) [***];
- (e) display any Results in pop-ups, pop-unders, exit windows, expanding buttons, animation or other similar methods;
- (f) interfere with the display of or frame any Results Page or any page accessed by clicking on any Results;
- (g) display any content between any Results and any page accessed by clicking on those Results or place any interstitial content immediately before any Results Page containing any Results;
- (h) [***];
- (i) directly or indirectly, (i) offer incentives to End Users to generate impressions, Requests or clicks on Results, (ii) fraudulently generate impressions, Requests or clicks on Results or (iii) modify impressions, Requests or clicks on Results;
- (j) “crawl”, “spider”, index or in any non-transitory manner store or cache information obtained from the Services (including Results);
- (k) display on any Site [***] any content that violates or encourages conduct that would violate the Google Program Guidelines, Google technical protocols and any other technical requirements and specifications applicable to the Services that are provided to Company by Google from time to time (“Unacceptable Content”) [***];
- (l) [***]; or
- (m) [***].

3.2. **Customer Content.** For Site [***] content not controlled by Company, Company will use commercially reasonable efforts to ensure that such content is not Unacceptable Content. [***].

3.3. **Compliance Obligations.** Company will not [***] allow any use of or access to the Services through any Site [***] that is not in compliance with the terms of this Agreement. [***].

4. [***].

4.1. [***].

4.2. [***].

4.3. [***].

- (a) [***];
- (b) [***];
- (c) [***];
- (d) [***];
- (e) [***];

4.4. [***].

- (a) [***].
- (b) [***].
- (c) [***].
- (d) [***].
- (e) [***].
- (f) [***].

5. [***].

5.1. **Client Application Guidelines.** Company will [***] comply with Google's Client Application Guidelines. [***].

5.2. [***].

5.3. [***].

- (a) [***]:
 - (i) [***].
 - (ii) [***].
 - (iii) [***].
 - (iv) [***].
 - (v) [***].
- (b) [***].

- (c) [***];
 - (i) [***].
 - (ii) [***].
- (d) [***].
- (e) [***].

6. [***].

7. **Filters.**

7.1. **Blocklist.** Company may, at its option, provide Google with a list of URLs for URL blocking (the “**Blocklist**”) and Google will use commercially reasonable efforts to exclude from Results served under this Agreement any Ads that contain the URL’s set forth in the Blocklist, in each case, as further described in the Google Program Guidelines. [***].

7.2. [***].

8. **Client IDs; Reports.**

8.1. **Client IDs.** Google shall provide Company with client IDs and channel IDs, as reasonably requested by Company from time to time. [***].

8.2. **Reports.** Google will provide Company with up-to-date online status reports for each client ID assigned to Company, including providing ongoing access by Company to such reports and associated data via API for so long as Google makes such API’s generally available to publishers (and subject to any applicable terms of service associated with such API’s). [***].

9. **Third Party Distribution.**

9.1. [***].

9.2. [***].

9.3. [***].

10. [***].

10.1. [***].

10.2. [***].

10.3. [***].

10.4. [***].

11. [***].

12. Changes and Modifications.

12.1. [***].

12.2. **By Company.** Company will provide Google with [***] prior notice of any material change in any implementation, layout, code or serving technology that could reasonably be expected to affect the delivery or display of any Results.

12.3. Site List and Approved Client Application Changes.

(a) Company may notify Google from time to time that it wishes to add or remove (i) website(s) to those comprising the Site(s) or (ii) Client Applications [***].

(b) [***]:

(i) [***].

(ii) [***].

13. Data.

13.1. **Definition of Company Data.** As between Company and Google, any data or information sent by Company or any Company Site Affiliate to Google during the Term [***]. In addition, as between Google and Company, any data or information [***] under this Agreement [***].

13.2. **Definition of Google Data.** As between Company and Google, any data or information collected by Google [***] will remain the property of Google.

13.3. Permitted and Prohibited Uses.

(a) **Company Data.** [***].

(b) **Google Data.** [***].

(c) [***].

(d) [***].

(e) **Legally Required Uses.** Notwithstanding the foregoing or anything to the contrary herein, either party may use the [***] to the extent required by law, in order to comply with legal process, preventing fraud or imminent harm, and ensuring the security of its network and services.

14. Test Queries.

14.1. **Google Test Queries.** During the Term, Google shall have the right to send uncompensated queries (to test both the AFS and AFC Services) using automated processes to the Sites [***] in order to verify that Ads are being served in compliance with the terms of this Agreement, to monitor or optimize the Services, and to enable Google to respond to Company's or the Company Site Affiliates' requests to test products or services on the Sites [***]. During each month of the Term, Google may (i) send uncompensated queries and, if so, shall use commercially reasonable efforts to send an amount no greater than [***] percent [***] of the total number of AFS Requests and AFC Requests during such month; and (ii) conduct automated testing of the Sites [***] from a block of pre-identified IP Addresses.

14.2. [***].

15. **Intellectual Property.** Subject to the terms and conditions of this Agreement, Google grants to Company a limited, nonexclusive, non-transferable, and non-sublicensable license, during the Term, to use the applicable Service protocols provided by Google solely for the purpose of transmitting Requests and other required information, and for receiving Result Sets, as applicable. Company shall not modify, prepare derivative works from, decompile, reverse engineer, disassemble or otherwise attempt to derive source code of the Services, any Google Protocols, Google Brand Features, or any other software, or documentation associated with the Services. Company will not remove, obscure, or alter Google's copyright notice, trademarks, or other proprietary rights notices affixed to or contained within any Google Services, software, or documentation. Except to the extent expressly stated otherwise in this Agreement, neither party will acquire any right, title or interest in any Intellectual Property Rights belonging to the other party, or to the other party's licensors, and all rights not expressly granted herein are reserved.

16. Brand Features.

16.1. **Google Brand Features.** Google grants to Company a non-exclusive and non-sublicensable license during the Term to use the Google Brand Features, in accordance with this Agreement and the Google Branding Guidelines, to: (a) fulfill Company's obligations in connection with the Services; (b) use Google's name in securities filings, and documents required by law; and (c) use Google's name in press releases (in accordance with Section 18) and Google Brand Features in presentations and marketing materials; [***]. Any goodwill resulting from the use by Company of the Google Brand Features will belong to Google.

16.2. **Company Brand Features.** Google may include Company's and its Affiliates' Brand Features in customer lists. [***] Except for the right to include Company, its Affiliates (which use the Services under this Agreement) and the Sites on a list of customers who use the Services, this Agreement does not grant Google any rights to reference or use any Company Brand Features. Company's license to Google shall be expressly limited to Google specifically referencing Company and/or its applicable Affiliates as a customer only of the Services and shall not include any reference that such entity utilizes any other Google product or any reference that is ambiguous enough to cause confusion as to whether Company

uses any other Google product other than the Services pursuant to this Agreement. Any goodwill resulting from the use by Google of Company Brand Features will belong to Company.

16.3. [***].

17. Payment.

17.1. [***].

(a) [***].

(b) [***].

(c) [***].

17.2. Google Payments.

(a) For each applicable Advertising Service, Google will pay Company an amount equal to the Revenue Share Percentage (listed on the front pages of this Agreement) of Net Ad Revenues attributable to a calendar month. [***].

(b) Google's payments for Advertising Services under this Agreement [***] may be filtered to exclude (i) invalid queries, impressions, conversions or clicks [***].

17.3. All Payments.

(a) As between Google and Company, Google is responsible for all taxes (if any) associated with the transactions between Google and advertisers in connection with Ads displayed on the Sites [***]. Company is responsible for all taxes (if any) associated with the Services, other than taxes based on Google's net income. All payments to Company from Google in relation to the Services will be treated as inclusive of tax (if applicable) and will not be adjusted. If Google is obligated to withhold any taxes from its payments to Company, Google will notify Company of this and will make the payments net of the withheld amounts. Google will provide Company with original or certified copies of tax payments (or other sufficient evidence of tax payments) if any of these payments are made by Google.

(b) All payments due [***] will be in the currency specified in this Agreement and made by electronic transfer to the account notified to the paying party by the other party for that purpose, and the party receiving payment will be responsible for any bank charges assessed by the recipient's bank. Any charges for converting foreign currency shall be the responsibility of Company and will be invoiced accordingly.

(c) [***].

17.4. SOC 1 Report; Officer's Certificate.

(a) [***].

(b) **Officer's Certificate.** At Google's written request, but no more often than once every calendar quarter during the Term, Company will provide Google with a written certificate signed by an authorized officer of Company that certifies as of the date of such certificate that Company and each of the Company Site Affiliates are in compliance with [***].

18. Confidentiality; Publicity.

18.1. **Confidentiality.** Except with the prior written consent of the disclosing party, the recipient of any Confidential Information will not disclose that Confidential Information, except to Affiliates, employees, agents or professional advisors who need to know it and who have agreed in writing (or in the case of professional advisors are otherwise bound) to keep it confidential. The recipient will ensure that those people and entities use Confidential Information only to exercise rights and fulfill obligations under this Agreement, while using reasonable care to keep the Confidential Information confidential. The recipient may also disclose Confidential Information when required by law after giving reasonable notice to the discloser, if permitted by law.

18.2. Exceptions.

(a) Notwithstanding Section 18.1 (Confidentiality), Google may (a) inform advertisers of Company's participation in the Services [***].

(b) Each party agrees that the terms of this Agreement shall be deemed Confidential Information of the other party; provided that, in addition to the permitted disclosures under Section 18.1, either party may disclose the terms of this Agreement (i) if required to do so by law or generally accepted accounting principles, (ii) as required to assert its rights hereunder, and (iii) to its own directors, employees, attorneys, accountants, and other advisors on a "need to know" basis and under an obligation of confidentiality no less stringent than set forth herein. Each party agrees that the disclosing party will be given prompt notice of any disclosure made pursuant to clause (i) or (ii) above, and that any such disclosure shall be limited to the extent reasonably possible and as permitted by applicable law. Notwithstanding the foregoing, in the event that Company is required to file a copy of this Agreement or a summary of this Agreement with the Securities and Exchange Commission, Company will seek confidential treatment for any such filing [***].

18.3. **Publicity.** Neither party may issue any press release or make any public statement regarding this Agreement without the other's written approval [***].

19. Warranties; Disclaimers.

19.1. **Warranties.** Each party warrants that (a) it has full power and authority to enter into this Agreement; and (b) entering into or performing under this Agreement will not violate any agreement it has with a third party.

19.2. **Disclaimers.** Except as expressly provided for in this Agreement and to the maximum extent permitted by applicable law, NEITHER PARTY MAKES ANY WARRANTY OF ANY KIND, WHETHER IMPLIED, STATUTORY, OR OTHERWISE AND DISCLAIMS, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE, AND NONINFRINGEMENT.

20. Indemnification.

20.1. **By Company.** Company will indemnify, defend, and hold harmless Google and its Affiliates, and their respective officers, directors, employees and agents, from and against all liabilities, damages, and reasonable costs (including settlement costs) arising out of a third party claim brought against Google or its Affiliates: (a) arising from any Company Content, Sites, [***] or Company Brand Features [***]; (b) arising from Company's use of the Services in breach of this Agreement [***]; (c) that Company's unauthorized use of information provided by Google violates applicable data protection laws; (d) [***]; (e) [***]; (f) [***]; (g) [***]; or (h) [***].

20.2. By Google.

(a) Google will indemnify, defend, and hold harmless Company and its Affiliates (which are receiving the Services under this Agreement), and their respective officers, directors, employees and agents, from and against all liabilities, damages, and reasonable costs (including settlement costs) arising out of a third party claim brought against Company or its Affiliates: (i) that authorized use of Google's technology used to provide the Services or any Google Brand Features infringes or misappropriates any copyright, trade secret, trademark or patent of that third party; (ii) [***]; or (iii) [***].

(b) [***].

20.3. **General.** Indemnification shall be provided for any claim covered under this section and shall be limited to (i) payment by the indemnifying party ("**Indemnitor**") of all damages and costs finally awarded (including reasonable attorney's fees) for such claim, or (ii) settlement costs approved in writing by the Indemnitor. The indemnification obligations set forth in this Agreement shall not apply to the extent Indemnitor has been prejudiced by the failure of the party seeking indemnification ("**Indemnitee**") to: (i) promptly notify the Indemnitor of such claim, (ii) provide the Indemnitor with reasonable information, assistance and cooperation in defending the lawsuit or proceeding, and (iii) give the Indemnitor full control and sole authority over the defense and settlement of such claim. The Indemnitee may join in defense with counsel of its choice at its own expense. Neither party shall agree to any settlement that admits wrongdoing by the other party or that imposes any non-monetary obligations, or any monetary obligations not indemnified by the other party, on the other party, without such other party's consent (not to be unreasonably withheld). The Indemnitor shall only reimburse the Indemnitee for expenses incurred by the Indemnitee with the Indemnitor's prior written approval. THIS SECTION 20 STATES THE PARTIES' ENTIRE LIABILITY AND EXCLUSIVE REMEDY WITH RESPECT TO VIOLATION OF A THIRD PARTY'S INTELLECTUAL PROPERTY RIGHTS [***].

21. Limitation of Liability.

21.1. Limitation.

(a) SUBJECT TO SECTION 21.2, NEITHER PARTY WILL BE LIABLE UNDER THIS AGREEMENT FOR LOST REVENUES OR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES, HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY, INCLUDING BUT NOT LIMITED TO CONTRACT OR TORT (INCLUDING PRODUCT LIABILITY, STRICT LIABILITY, AND NEGLIGENCE), EVEN IF THE

PARTY KNEW OR SHOULD HAVE KNOWN THAT SUCH DAMAGES WERE POSSIBLE AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY STATED HEREIN.

(b) SUBJECT TO SECTION 21.2, IN NO EVENT SHALL EITHER PARTY'S LIABILITY ARISING OUT OF THIS AGREEMENT EXCEED [***].

21.2. **Exceptions to Limitations.** These limitations of liability do not apply to:

- (a) Company's breach of Section 4 (Exclusivity);
- (b) either party's breaches of confidentiality obligations contained in this Agreement;
- (c) violations of a party's Intellectual Property Rights by the other party; or

(d) indemnification obligations contained in this Agreement; provided, however, that (i) Google's liability for indemnification obligations with regard to the [***] will not exceed [***], and (ii) Google's liability for indemnification obligations with regard to [***] will not exceed [***].

21.3. **Exceptions to Limitations for Certain Breaches.**

(a) The limitations of liability set out in Section 21.1 do not apply to any [***] in each case in material breach of the Agreement. This Section 21.3(a) shall only apply (i) for damages that cannot be mitigated [***] and (ii) [***]; provided, however, that in no event shall [***] aggregate liability under this Section exceed [***]. The non-breaching party may not seek damages incurred earlier than [***] prior to filing such claim under this Section.

(b) The limitations of liability set out in Section 21.1 do not apply to any [***] with respect to which the breaching party [***]. This Section 21.3(b) shall only apply for damages that cannot be mitigated despite [***]; provided, however, that in no event shall [***] aggregate liability under this Section 21.3(b) exceed [***]. The non-breaching party may not seek damages incurred earlier than [***] prior to filing a claim under this Section.

21.4. **No Addition of Liabilities.** The limitations of liabilities set forth in the Agreement shall not be additive. Each party's aggregate liability for all claims under the Agreement may never exceed the liability cap ascribed to those claims, and together may never exceed the highest applicable liability cap [***].

22. **Term and Termination.**

22.1. **Term.** The term of this Agreement will commence on the Effective Date and will continue for the period stated in the box titled "Term" on the front pages of this Agreement, unless earlier terminated as provided in this Agreement (the "**Term**").

22.2. **Termination.**

(a) Either party may terminate this Agreement with notice if the other party is in material breach (and has received notice thereof) of this Agreement (taken as a whole):

(i) where the breach is incapable of remedy;

(ii) where the breach is capable of remedy and the party in breach fails to remedy that breach within [***] after receiving notice from the other party; or

(iii) [***].

(d) [***].

(e) [***].

(f) [***].

(g) [***].

(h) Upon the expiration or termination of this Agreement for any reason:

(i) all rights and licenses granted by each party will cease immediately;

(ii) if requested, [***] each party will use commercially reasonable efforts to promptly return to the other party, or destroy and certify the destruction of, all Confidential Information disclosed to it by the other party;

(iii) each party's rights to use any of the other party's Brand Features, as permitted under the Agreement, shall cease immediately; and

(iv) [***].

23. Miscellaneous.

23.1. **Compliance with Laws.** Each party will comply in all material respects with all applicable laws, rules, and regulations in fulfilling its obligations under this Agreement.

23.2. **Notices.** All notices of termination or breach must be in writing and addressed to the attention of the other party's Legal Department and primary point of contact. The email address for notices being sent to Google's Legal Department is legal-notices@google.com. All other notices must be in English, in writing (email to suffice) and addressed to the other party's primary contact. Notice will be treated as given on receipt, as verified by written or automated receipt or electronic log (as applicable).

23.3. [***].

23.4. Assignment.

(a) **Assignment.** Neither party may assign or transfer any part of this Agreement without the written consent of the other, except [***] Any other attempt to assign is void. [***].

(b) [***].

(c) **Sale of an Asset.** Except as provided for in this Section, in the event Company or its Affiliate sells or transfers, whether by way of merger, consolidation, change of control, sale of securities or assets, contract, management agreement or otherwise, (i) any Site [***] then such website [***] shall no longer constitute a Site [***] under this Agreement [***].

23.5. **Governing Law.** ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SERVICES WILL BE GOVERNED BY CALIFORNIA LAW, EXCLUDING CALIFORNIA'S CONFLICT OF LAW RULES, AND WILL BE LITIGATED EXCLUSIVELY IN THE FEDERAL OR STATE COURTS OF SANTA CLARA COUNTY, CALIFORNIA, USA. THE PARTIES CONSENT TO PERSONAL JURISDICTION IN THOSE COURTS.

23.6. **Equitable Relief.** Nothing in this Agreement will limit either party's ability to seek equitable relief.

23.7. **Entire Agreement; Amendments.** This Agreement sets out all terms agreed between the parties and supersedes all other agreements between the parties relating to its subject matter. In entering into this Agreement, neither party has relied on, and neither party will have any right or remedy based on, any statement, representation or warranty (whether made negligently or innocently), except those expressly set out in this Agreement. Any amendment must be in writing, signed (including by electronic signature) by both parties, and expressly state that it is amending this Agreement.

23.8. **No Waiver.** Neither party will be treated as having waived any rights by not exercising (or delaying the exercise of) any rights under this Agreement.

23.9. **Severability.** If any term (or part of a term) of this Agreement is judged by a court of competent jurisdiction to be invalid, illegal or unenforceable, the rest of the Agreement will remain in effect.

23.10. **Survival.** The following sections of this Agreement will survive any expiration or termination of this Agreement: 13 (Data), 14 (Intellectual Property), 18 (Confidentiality; Publicity), 20 (Indemnification), 21 (Limitation of Liability), 22.2(f) (Termination) and 23 (Miscellaneous).

23.11. **No Agency.** The parties to this Agreement are and will remain independent contractors and nothing in this Agreement creates an agency, partnership, or joint venture between the parties. Neither party will be deemed to be an employee or legal representative of the other nor shall either party have any right or authority to create any obligation on behalf of the other party.

23.12. **No Third Party Beneficiaries.** This Agreement does not confer any benefits on any third party unless it expressly states that it does.

23.13. **Force Majeure.** Neither party will be liable for failure or delay in performance to the extent caused by circumstances beyond its reasonable control.

23.14. **Counterparts.** The parties may execute this Agreement in counterparts, including facsimile, PDF or other electronic copies, which taken together will constitute one instrument.

Signed:

Google Inc.

By: /s/ AUTHORIZED SIGNATORY

Print Name: Authorized Signatory

Title: Authorized Signatory

Date: October 26, 2015

IAC/InterActiveCorp

By: /s/ AUTHORIZED SIGNATORY

Print Name: Authorized Signatory

Title: Authorized Signatory

Date: October 26, 2015

Google Ireland Limited

By: /s/ AUTHORIZED SIGNATORY

Print Name: Authorized Signatory

Title: Authorized Signatory

Date: October 26, 2015

IAC Search & Media Europe Limited

By: /s/ AUTHORIZED SIGNATORY

Print Name: Authorized Signatory

Title: Authorized Signatory

Date: October 26, 2015

List of Exhibits Attached Hereto:

Exhibit A

[***].

Exhibit B

[***].

Exhibit C

[***].

Exhibit D

[***].

Exhibit E

[***].

Exhibit F

[***].

Exhibit G

[***].

Exhibit H

[***].

Exhibit I

[***].

Exhibit J

[***].

EXHIBIT A

[***]

[***].

EXHIBIT B

[***]

[***].

EXHIBIT C

[***]

[***],

EXHIBIT D

[***]

[***].

EXHIBIT E

[***]

[***].

EXHIBIT F

[***]

[***].

EXHIBIT G

[***]

[***].

EXHIBIT H

[***]

[***],

EXHIBIT I

***.

EXHIBIT J

***.

\$300,000,000
AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of December 21, 2012,
as amended and restated as of October 7, 2015

among

IAC/INTERACTIVECORP,
as Borrower,

THE LENDERS PARTY HERETO,

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

J.P. MORGAN SECURITIES LLC, MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, BNP PARIBAS SECURITIES CORP. and PNC
CAPITAL MARKETS LLC,
as Joint Lead Arrangers and Joint Bookrunners,

BANK OF AMERICA, N.A.,
as Syndication Agent,

and

BNP PARIBAS and PNC BANK, NATIONAL ASSOCIATION,
as Co-Documentation Agents

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- Exhibit H -- Form of Perfection Certificate
- Exhibit I -- Form of Solvency Certificate
- Exhibit J -- Pari Passu Intercreditor Agreement

AMENDED AND RESTATED CREDIT AGREEMENT, dated as of December 21, 2012 and as amended and restated as of October 7, 2015 (as further amended, restated, extended, supplemented or otherwise modified from time to time, this “Agreement”), among IAC/INTERACTIVECORP, a Delaware corporation (the “Borrower”), the LENDERS party hereto from time to time, JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders and as collateral agent for the Secured Parties (as defined herein) (in such capacities, the “Administrative Agent”) and as an Issuing Bank.

WHEREAS, the Loan Parties, the Administrative Agent and the lenders party thereto are party to a credit agreement dated as of December 21, 2012 (as amended, restated, supplemented or otherwise modified prior to the date hereof, the “Original Credit Agreement”);

WHEREAS, the parties have agreed to amend and restate the Original Credit Agreement in its entirety as follows;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“2012 Senior Notes” means the \$500,000,000 aggregate principal amount of 4.75% senior notes due 2022 issued by the Borrower on December 21, 2012 and any exchange notes related thereto.

“2013 Senior Notes” means the \$500,000,000 aggregate principal amount of 4.875% senior notes due 2018 issued by the Borrower on November 15, 2013 and any exchange notes related thereto.

“ABR” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Act” has the meaning assigned to such term in Section 9.15.

“Adjustment Date” has the meaning assigned to such term in the definition of “Pricing Grid.”

“Administrative Agent” means JPMorgan Chase Bank, N.A. (including its branches and affiliates), in its capacity as administrative agent for the Lenders hereunder and, as applicable (including, for the avoidance of doubt, each reference to the Administrative Agent in Article VIII), as Collateral Agent, together with any successors in such capacities.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Affiliated Persons” means, with respect to any specified 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 or other entity or investment vehicle Controlled by any of the Persons referred to in clause (a) or (b) or the holdings of which are for the primary benefit of any of such Persons.

“Agent Party” means the Administrative Agent, the Issuing Bank or any other Lender.

“Aggregate Exposure” means, with respect to any Lender at any time, the amount of such Lender’s Revolving Commitment then in effect or, if such Revolving Commitment has been terminated, such Lender’s Outstanding Revolving Credit.

“Agreement” has the meaning assigned to such term in the preamble to this Credit Agreement.

“Agreement Currency” has the meaning assigned to such term in Section 9.14.

“Alternate Base Rate” means, for any day, a rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1% and (c) the Eurocurrency Rate that would be calculated as of such day (or, if such day is not a Business Day, as of the next preceding Business Day) in respect of a proposed Eurocurrency Borrowing in Dollars with a one-month Interest Period plus 1.00%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or such Eurocurrency Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or such Eurocurrency Rate, respectively.

“Alternative Currency” means Sterling, Yen, Euro, Australian Dollar or Canadian Dollar.

“Alternative Currency Revolving Sublimit” means, with respect to all Alternative Currencies, the Dollar Amount of \$100,000,000.

“Amendment Effective Date” the date on which the conditions precedent set forth in Section 4.03 shall have been satisfied (or waived in accordance with Section 9.02).

“Anti-Corruption Laws” means the United States Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder and the Bribery Act 2010 of the United Kingdom, as amended.

“Applicable Rate” means (i) prior to the first Adjustment Date occurring after the Amendment Effective Date, 1.75% for Eurocurrency Loans and 0.75% for ABR Loans and (ii) on and after the first Adjustment Date occurring after the Amendment Effective Date, a percentage determined in accordance with the Pricing Grid.

“Applicable Time” means, with respect to any Borrowings and payments in any Alternative Currency the local time in the place of settlement for such Alternative Currency, as may be reasonably determined by the Administrative Agent to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment and notified to the relevant parties hereto.

“Approved Fund” has the meaning assigned to such term in Section 9.05(b).

“Asset Acquisition” means

(1) an Investment by the Borrower or any Restricted Subsidiary in any other Person if, as a result of such Investment, such Person shall become a Restricted Subsidiary, or shall be merged with or into the Borrower or any Restricted Subsidiary, or

(2) the acquisition by the Borrower or any Restricted Subsidiary of all or substantially all of the assets of any other Person or any division or line of business of any other Person.

“Asset Sale” means any sale, issuance, conveyance, transfer, lease, assignment or other disposition by the Borrower or any Restricted Subsidiary to any Person other than the Borrower or any Restricted Subsidiary (including by means of a sale and leaseback transaction or a merger or consolidation) (collectively, for purposes of this definition, a “transfer”), in one transaction or a series of related transactions, of any assets of the Borrower or any of its Restricted Subsidiaries other than in the ordinary course of business. For purposes of this definition, the term “Asset Sale” shall not include:

- (1) transfers of cash or Cash Equivalents;
- (2) transfers of assets (including Equity Interests) that are governed by, and made in accordance with, Section 6.03
- (3) Restricted Payments permitted under the covenant described under Section 6.05 and Investments not prohibited by Section 6.11;
- (4) the creation of any Lien permitted under this Agreement;
- (5) transfers of assets that are (i) damaged, worn out, uneconomic, obsolete or otherwise deemed to be no longer necessary or useful in the current or anticipated business of the Borrower or its Restricted Subsidiaries or (ii) replaced by assets of similar suitability and value;
- (6) sales or grants of licenses or sublicenses to use the patents, trade secrets, know-how and other intellectual property, and licenses, leases or subleases of other assets, of the Borrower or any Restricted Subsidiary to the extent not materially interfering with the business of the Borrower and the Restricted Subsidiaries;
- (7) any transfer or series of related transfers that, but for this clause, would be Asset Sales, if the aggregate Fair Market Value of the assets transferred in such transaction or any such series of related transactions does not exceed (i) \$10,000,000 for such transaction or any such series of related transactions and (ii) \$75,000,000 in the aggregate for all transactions under this clause (7) since the Amendment Effective Date;
- (8) any transfer or series of transfers (other than a Search Disposition) that, but for this clause, would be Asset Sales if consummated at a time when, after giving pro forma effect thereto, (x) the Borrower is in compliance with Section 6.10 and (y) no Default shall have occurred and be continuing or occur as a consequence thereof; and
- (9) transfers of assets in connection with the Match Transactions.

“Asset Swap” means any exchange of assets of the Borrower or any Restricted Subsidiary (including Equity Interests of a Restricted Subsidiary) for assets of another Person (including Equity Interests of a Person whose primary business is a Related Business) that are intended to be used by the Borrower or any Restricted Subsidiary in a Related Business, including, to the extent necessary to equalize the value of the assets being exchanged, cash of any party to such asset swap.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.05), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Australian Dollar” means the lawful currency of Australia.

“Australian Dollar Bank Bill Reference Rate” means for any Loans in Australian Dollars, the Australian Dollar Screen Rate or, if applicable pursuant to the terms of Section 2.11(a), the applicable Reference Bank Rate.

“Australian Dollar Screen Rate” means, with respect to any Interest Period, the average bid reference rate as administered by the Australian Financial Markets Association (or any other Person that takes over the administration of that rate) for Australian Dollar bills of exchange with a tenor equal in length to such Interest Period, as displayed on page BBSY of the Reuters screen or, in the event such rate does not appear on such Reuters page, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as selected by the Administrative Agent from time to time in its reasonable discretion.

“Available Revolving Commitment” means, as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) such Lender’s Revolving Commitment then in effect at such time over (b) such Lender’s Outstanding Revolving Credit.

“Bankruptcy Event” means, with respect to any Lender, such Lender or any other Person as to which such Lender is a subsidiary (a “Parent Company”) (i) is adjudicated as, or determined by any Governmental Authority having regulatory authority over it or its assets to be, insolvent, (ii) becomes the subject of a bankruptcy or insolvency proceeding, or the Administrative Agent has given written notice to such Lender and the Borrower of its good faith determination that such Lender or its Parent Company has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or (iii) has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or the Administrative Agent has given written notice to such Lender and the Borrower of its good faith determination that such Lender or its Parent Company has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such appointment; provided that a Bankruptcy Event shall not result solely by virtue of any control of or ownership interest in, or the acquisition of any control of or ownership interest in, such Lender or its Parent Company by a Governmental Authority as long as such control or ownership interest does not result in or provide such Lender or its Parent Company 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 its Parent Company (or such Governmental Authority) to reject, repudiate, disavow or disaffirm such Lender’s obligations under this Agreement.

“Basel III” means, collectively, those certain agreements on capital requirements, leverage ratios and liquidity standards contained in “Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems,” “Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring,” and “Guidance for National Authorities Operating the Countercyclical Capital Buffer,” each as published by the Basel Committee on Banking Supervision in December 2010 (as revised from time to time), and as implemented by a Lender’s primary U.S. federal banking regulatory authority or primary non-U.S. financial regulatory authority, as applicable.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Board of Directors” means the Board of Directors of the Borrower or, other than for the purposes of the definition of “Change of Control,” any committee thereof duly authorized to act on behalf of such Board of Directors.

“Borrower” means IAC/InterActiveCorp, a Delaware corporation.

“Borrowing” means a group of Loans of the same Type, made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect.

“Borrowing Date” means any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that when used in connection with (a) a Eurocurrency Loan denominated in Dollars, the term “Business Day” shall also exclude any day on which banks are not open for dealings in Dollar deposits in the London interbank market, (b) any Borrowings or LC Disbursements that are the subject of a borrowing, drawing, payment, reimbursement or rate selection denominated in Euro, the term “Business Day” shall also exclude any day on which the Trans-European Real-time Gross Settlement Operating System (or any successor operating system) is not open for the settlement of payments in Euro and (c) a Eurocurrency Loan denominated in an Alternative Currency, the term “Business Day” shall also exclude any day on which banks are not open for dealings in such Alternative Currency deposits in the interbank market in the principal financial center of the country whose lawful currency is such Alternative Currency.

“Canadian Dollar” means the lawful currency of Canada.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) 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; provided, however, that any obligations relating to a lease that would have been accounted by such Person as an operating lease in accordance with GAAP as of the Closing Date shall be accounted for as an operating lease and not a Capital Lease Obligation for all purposes under this Agreement.

“Cash Equivalents” means (1) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (2) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of one year or less from the date of acquisition issued by any commercial bank organized under the laws of the United States or any state thereof or any Lender or any Affiliate of any Lender; (3) commercial paper of an issuer rated at least A-1 by Standard & Poor’s or P-1 by Moody’s, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within one year from the date of acquisition; (4) repurchase obligations of any commercial bank satisfying the requirements of clause (2) of this definition with respect to securities issued or fully guaranteed or insured by the United States government; (5) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by Standard & Poor’s or A by Moody’s; (6) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the requirements of clause (2) of this definition; (7) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (1) through (6) of this definition; (8) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by Standard & Poor’s or Aaa by Moody’s and (iii) have portfolio assets of at least \$5,000,000,000; and (9) in the case of any Foreign Subsidiary, investments substantially comparable to any of the foregoing investments with respect to the country in which such Foreign Subsidiary is organized.

“Cash Management Agreement” means any agreement entered into from time to time by the Borrower or any Restricted Subsidiary in connection with Cash Management Services for collections, other Cash Management Services or for operating, payroll and trust accounts of such Person, including automatic clearing house services, controlled disbursement services, electronic funds transfer services, information reporting services, lockbox services, stop payment services and wire transfer services, unless, when entered into, such agreement is designated in writing by the Borrower and the relevant Cash Management Bank to the Administrative Agent to not be included as a Cash Management Agreement.

“Cash Management Bank” means any Person that (i) at the time it enters into a Cash Management Agreement or provides any Cash Management Services, is a Lender or an Agent Party or an Affiliate of a Lender or an Agent Party or (ii) in the case of any Cash Management Agreement in effect or any Cash Management Services provided, on or prior to the Closing Date, is, as of the Closing Date, a Lender or an Agent Party or an Affiliate of a Lender or an Agent Party and a party to a Cash Management Agreement or provider of Cash Management Services.

“Cash Management Obligations” means obligations owed by the Borrower or any Subsidiary Guarantor to any Cash Management Bank in connection with, or in respect of, any Cash Management Services.

“Cash Management Services” means (a) commercial credit cards, merchant card services, purchase or debit cards, including non-card e-payables services, (b) treasury management services (including controlled disbursement, overdraft automatic clearing house fund transfer services, return items and interstate depository network services)

and (c) any other demand deposit or operating account relationships or other cash management services, including under any Cash Management Agreements.

“CDOR Rate” means for any Loans in Canadian Dollars, the CDOR Screen Rate or, if applicable pursuant to the terms of Section 2.11(a), the applicable Reference Bank Rate.

“CDOR Screen Rate” means, with respect to any Interest Period, the average rate for bankers acceptances as administered by the Investment Industry Regulatory Organization of Canada (or any other Person that takes over the administration of that rate) with a tenor equal in length to such Interest Period, as displayed on CDOR page of the Reuters screen or, in the event such rate does not appear on such Reuters page, on any successor or substitute page on such screen or service that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected from time to time by the Administrative Agent in its reasonable discretion.

“CFC” means a “controlled foreign corporation” within the meaning of Section 957 of the Code.

“Change in Law” means (a) the adoption of any law, rule, regulation or treaty after the Closing Date, (b) any change in any law, rule, regulation or treaty or in the interpretation or application thereof by any Governmental Authority after the Amendment Effective Date or (c) compliance by any Lender (or, for purposes of Section 2.12(b), by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Amendment Effective Date; 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 thereunder or issued 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,” but only to the extent it is the general policy of a Lender to impose applicable increased costs or costs in connection with capital adequacy requirements similar to those described in clauses (a) and (b) of Section 2.12 generally on other similarly situated borrowers under similar circumstances under agreements permitting such impositions.

“Change of Control” means any of the following events:

(a) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Borrower and its subsidiaries, taken as a whole, to any Person other than a Permitted Holder;

(b) the acquisition of beneficial ownership by any person or group (excluding any one or more Permitted Holders or group Controlled by any one or more Permitted Holders) of more than 35% of the aggregate voting power of all outstanding classes or series of the Borrower’s Voting Stock and such aggregate voting power exceeds the aggregate voting power of all outstanding classes or series of the Borrower’s Voting Stock beneficially owned by the Permitted Holders collectively;

(c) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Borrower (together with any new directors whose election by the Board of Directors or whose nomination for election by the equityholders of the Borrower was approved by a vote of the majority of the directors of the Borrower then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the Borrower’s Board of Directors then in office;

(d) the Borrower shall adopt a plan of liquidation or dissolution or any such plan shall be approved by the stockholders of the Borrower;
or

(e) a “change of control triggering event” (or similar event) shall occur in any document pertaining to the Senior Notes or any Refinancing Indebtedness thereof to the extent constituting Material Indebtedness.

Notwithstanding the foregoing, (a) a transaction in which the Borrower becomes a subsidiary of another Person (other than a Person that is an individual or a Permitted Holder) shall not constitute a Change of Control if the shareholders of the Borrower immediately prior to such transaction beneficially own, directly or indirectly through one or more intermediaries, the same proportion of voting power of the outstanding classes or series of the Borrower’s voting stock as such shareholders beneficially own immediately following the consummation of such transaction and (b) a Match Disposition shall not constitute a Change of Control.

For purposes of this definition, a Person shall not be deemed to have beneficial ownership of securities subject to a stock purchase agreement, merger agreement or similar agreement until the consummation of the transactions contemplated by such agreement.

“Class” when used in reference to any Loans or Borrowing, refers to whether such Loans or the Loans comprising such Borrowing, are Revolving Loans.

“Closing Date” means December 21, 2012.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Co-Documentation Agents” means BNP Paribas and PNC Bank, National Association.

“Collateral” has the meaning assigned to such term or a similar term in each of the Collateral Documents and shall include all property pledged or granted (or purported to be pledged or granted) as collateral pursuant to the Pledge Agreement on the Closing Date or thereafter pursuant to Section 5.09.

“Collateral Agent” means JPMorgan Chase Bank, N.A. in its capacity as collateral agent under the Subsidiary Guarantee and the Collateral Documents for the Secured Parties.

“Collateral Documents” means the Pledge Agreement, the Pari Passu Intercreditor Agreement, if any, and each other security document, mortgage, pledge agreement or collateral agreement executed and delivered on the Closing Date or thereafter in connection with this Agreement and/or the other Loan Documents to grant a security interest in any property as collateral to secure the Obligations.

“Collateral Reinstatement Date” has the meaning assigned to such term in Section 5.10(b).

“Collateral Reinstatement Event” has the meaning assigned to such term in Section 5.10(b).

“Collateral Reinstatement Requirements” has the meaning assigned to such term in Section 5.10(b).

“Collateral Suspension Date” means the date on which: (i) no Default or Event of Default exists, (ii) each of the Borrower’s corporate family rating from Moody’s and corporate credit rating from S&P is an Investment Grade Rating as of such date, (iii) in the case of any Pari Passu Indebtedness, (x) all Liens securing such Indebtedness shall have been released or (y) to the extent that any such Liens are not released, the Borrower would be permitted to incur such Indebtedness under Section 6.01(e) (and thereafter such Indebtedness shall be deemed to be Priority Indebtedness) and (iv) a Financial Officer or other executive officer of the Borrower delivers an officer’s certificate to the Administrative Agent and the Collateral Agent that (a) certifies to the satisfaction or concurrent satisfaction of the foregoing and (b) directs the Collateral Agent to release the Collateral securing the Obligations (including, without limitation, Cash Management Obligations and Specified Swap Agreements) in accordance with the second sentence under Section 5.10(a).

“Collateral Suspension Period” means each period commencing on the Collateral Suspension Date with respect to such period and ending on the Collateral Reinstatement Date with respect to such Collateral Suspension Date.

“Commitment Fee Rate” means (a) prior to the first Adjustment Date occurring after the Amendment Effective Date, 0.30% and (b) on and after the first Adjustment Date occurring after the Amendment Effective Date, a rate determined in accordance with the Pricing Grid.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Consolidated Amortization Expense” for any Test Period means the amortization expense of the Borrower and its Restricted Subsidiaries for such Test Period, determined on a consolidated basis in accordance with GAAP.

“Consolidated Contingent Consideration Fair Value Remeasurement Adjustments” for any period means the contingent consideration fair value remeasurement adjustments, of the Borrower and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP.

“Consolidated Depreciation Expense” for any Test Period means the depreciation expense of the Borrower and its Restricted Subsidiaries for such Test Period, determined on a consolidated basis in accordance with GAAP.

“Consolidated EBITDA” for any Test Period means, without duplication, the sum of the amounts for such Test Period of

- (1) Consolidated Net Income, plus
 - (2) in each case only to the extent (and in the same proportion) deducted in determining Consolidated Net Income,
 - (a) Consolidated Income Tax Expense,
 - (b) Consolidated Amortization Expense,
 - (c) Consolidated Depreciation Expense,
 - (d) Consolidated Interest Expense,
 - (e) all non-cash compensation, as reported in the Borrower’s financial statements,
 - (f) any non-cash charges or losses or realized losses related to the write-offs, write-downs or mark-to-market adjustments or sales or exchanges of any investments in debt or equity securities by the Borrower or any Restricted Subsidiary, and
 - (g) the aggregate amount of all other non-cash charges, expenses or losses reducing such Consolidated Net Income, including any impairment (including any impairment of intangibles and goodwill) (excluding any non-cash charge, expense or loss that results in an accrual of a reserve for cash charges in any future period and any non-cash charge, expense or loss relating to write-offs, write downs or reserves with respect to accounts receivable or inventory), for such Test Period,
 - (h) the amount of any restructuring charges or reserves, including any one-time costs incurred in connection with acquisitions,
- minus*

(3) in each case only to the extent (and in the same proportion) included in determining Consolidated Net Income, any non-cash or realized gains related to mark-to-market adjustments or sales or exchanges of any investments in debt or equity securities by the Borrower or any Restricted Subsidiary,

in each case determined on a consolidated basis in accordance with GAAP; provided that the aggregate amount of all non-cash items, determined on a consolidated basis, to the extent such items increased Consolidated Net Income for such period will be excluded from Consolidated Net Income.

For purposes of this definition, whenever pro forma effect is to be given, the pro forma calculations shall be factually supportable, reasonably identifiable and made in good faith by a Financial Officer. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Borrower as set forth in an Officer's Certificate, to reflect cost savings and other operating improvements or synergies reasonably expected to be realized within 12 months from the applicable event to be given pro forma effect; provided that the aggregate amount of all items added back to Consolidated EBITDA pursuant to this paragraph and clause (A)(2) of the definition of "Consolidated Leverage Ratio" shall not exceed 10.0% of Consolidated EBITDA (prior to giving effect to such adjustment) for such Test Period.

"Consolidated Income Tax Expense" for any Test Period means the provision for taxes of the Borrower and its Restricted Subsidiaries for such Test Period, determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" for any Test Period means the sum, without duplication, of the total interest expense of the Borrower and its Restricted Subsidiaries for such Test Period, determined on a consolidated basis in accordance with GAAP, minus consolidated interest income of the Borrower and its Restricted Subsidiaries, and including, without duplication,

- (1) imputed interest on Capital Lease Obligations,
- (2) commissions, discounts and other fees and charges owed with respect to letters of credit securing financial obligations, bankers' acceptance financing and receivables financings,
- (3) the net costs associated with Hedging Obligations related to interest rates,
- (4) amortization of debt issuance costs, debt discount or premium and other financing fees and expenses,
- (5) the interest portion of any deferred payment obligations,
- (6) all other non-cash interest expense,
- (7) capitalized interest,
- (8) all dividend payments on any series of Disqualified Equity Interests of the Borrower or any Preferred Stock of any Restricted Subsidiary (other than any such Disqualified Equity Interests or any Preferred Stock held by the Borrower or a Restricted Subsidiary of the Borrower that is a Wholly Owned Subsidiary or to the extent paid in Qualified Equity Interests),
- (9) all interest payable with respect to discontinued operations, and
- (10) all interest on any Indebtedness described in clause (6) or (7) of the definition of Indebtedness.

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (i) Indebtedness of the Borrower and its Restricted Subsidiaries as of the last day of the Test Period most recently ended on or prior to such

date of determination (as set forth on the balance sheet and determined on a consolidated basis in accordance with GAAP) to (ii) Consolidated EBITDA for such Test Period.

(A) The Consolidated Leverage Ratio shall be calculated for any period after giving effect on a pro forma basis (as if they had occurred on the first day of the applicable Test Period) to:

(1) the incurrence of any Indebtedness of the Borrower or any Restricted Subsidiary (and the application of the proceeds thereof) and any repayment, repurchase, defeasance or other discharge of Indebtedness (and the application of the proceeds therefrom) (other than the incurrence or repayment of Indebtedness in the ordinary course of business for working capital purposes pursuant to any revolving credit arrangement) occurring during the applicable Test Period or (except when calculating the Consolidated Leverage Ratio for purposes of determining the Applicable Rate or determining actual compliance (and not pro forma compliance or compliance on a pro forma basis) with Section 6.10) at any time subsequent to the last day of such Test Period and on or prior to the date of determination, as if such incurrence, repayment, issuance or redemption, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Test Period; and

(2) any (w) Asset Sale, (x) asset sale which is solely excluded from the definition of Asset Sale pursuant to clause (8) of such definition, (y) Asset Acquisition (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of the Borrower or any Restricted Subsidiary (including any Person who becomes a Restricted Subsidiary as a result of such Asset Acquisition or as a result of a Revocation) incurring Acquired Indebtedness and also including any Consolidated EBITDA associated with any such Asset Acquisition) or (z) operational restructuring (each a “pro forma event”) (including any cost savings and synergies resulting from head count reduction, closure of facilities and similar operational and other cost savings and synergies relating to such pro forma event occurring within 12 months (or expected, in the good faith determination of the Borrower, to occur within 12 months) of such pro forma event and during such period or (except when calculating the Consolidated Leverage Ratio for purposes of determining the Applicable Rate or determining actual compliance (and not pro forma compliance or compliance on a pro forma basis) subsequent to such period and on or prior to the date of such calculation, in each case that are expected to have a continuing impact and are factually supportable, and which adjustments the Borrower determines are reasonable as set forth in an Officer’s Certificate; provided that the aggregate amount of all such cost savings and synergies pursuant to this clause (A)(2) and the second paragraph of the definition of “Consolidated EBITDA” shall in no event exceed 10% of Consolidated EBITDA for such period calculated prior to giving effect to such pro forma adjustments) occurring during the Test Period or at any time subsequent to the last day of the Test Period and on or prior to the date of determination, as if such pro forma event occurred on the first day of the Test Period; and

(B) in calculating Consolidated Interest Expense for purposes of the Consolidated Leverage Ratio with respect to any Indebtedness being given pro forma effect:

(1) interest on outstanding Indebtedness determined on a fluctuating basis as of the date of determination and which will continue to be so determined thereafter shall be deemed to have accrued at a fixed rate per annum equal to the rate of interest on such Indebtedness in effect on the date of determination;

(2) if interest on any Indebtedness actually incurred on the date of determination may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate in effect on the date of determination will be deemed to have been in effect during the Test Period;

(3) notwithstanding clause (1) or (2) above, interest on Indebtedness determined on a fluctuating basis, to the extent such interest is covered by agreements relating to Hedging Obligations, shall be deemed to accrue at the rate per annum resulting after giving effect to the operation of the agreements governing such Hedging Obligations;

(4) interest on any Indebtedness under a revolving credit facility shall be computed based upon the average daily balance of such Indebtedness during the Test Period; and

(5) interest on a Capital Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting Officer of the Borrower to be the rate of interest implicit in such Capital Lease Obligation in accordance with GAAP.

The Borrower may elect, pursuant to an Officer's Certificate delivered to the Administrative Agent to treat all or any portion of any revolving commitment or undrawn commitment under any Indebtedness as being incurred and outstanding at such time and for so long as such commitments remain outstanding (regardless of whether then drawn), in which case any subsequent incurrence of Indebtedness under such commitment shall not be deemed, for purposes of this calculation, to be an incurrence at such subsequent time.

"Consolidated Net Income" for any Test Period means the net income (or loss) of the Borrower and the Restricted Subsidiaries for such Test Period determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded from such net income (to the extent otherwise included therein), without duplication:

(1) the net income (or loss) of any Person that is not a Restricted Subsidiary, except to the extent that cash in an amount equal to any such income has actually been received by the Borrower or any Restricted Subsidiary during such period (other than any cash received from a member of the Match Group that is an Unrestricted Subsidiary in connection with the Match Transactions);

(2) gains and losses due solely to fluctuations in currency values and the related tax effects according to GAAP;

(3) gains and losses with respect to Hedging Obligations;

(4) the cumulative effect of any change in accounting principles;

(5) any extraordinary or nonrecurring gain (or extraordinary or nonrecurring loss), together with any related provision for taxes on any such extraordinary or nonrecurring gain (or the tax effect of any such extraordinary or nonrecurring loss), realized by the Borrower or any Restricted Subsidiary during such period;

(6) Consolidated Contingent Consideration Fair Value Remeasurement Adjustments;

(7) any net after-tax income or loss from discontinued operations and any net after-tax gains or losses on disposal of discontinued operations; and

(8) any gain (or loss), together with any related provisions for taxes on any such gain (or the tax effect of any such loss), realized during such period by the Borrower or any Restricted Subsidiary upon (a) the acquisition of any securities, or the extinguishment of any Indebtedness, of the Borrower or any Restricted Subsidiary or (b) the sale of any financial or equity investment by the Borrower or any Restricted Subsidiary;

provided, further, that the effects of any adjustments in the inventory, property and equipment, software, goodwill, other intangible assets, in-process research and development, deferred revenue, debt line items, any earn-out obligations and any other non-cash charges (other than the amortization of unfavorable operating leases) in the Borrower's consolidated financial statements pursuant to GAAP in each case resulting from the application of

purchase accounting in relation to any consummated acquisition or the amortization or write-off of any such amounts shall be excluded when determining Consolidated Net Income.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Defaulting Lender” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Agent Party any amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to such funding or payment has not been satisfied, or, in the case of clause (ii) or clause (iii) above, such Lender notifies the Administrative Agent in writing that such failure is the result of a good faith dispute regarding its obligation to make such funding or payment; (b) has notified the Borrower or any Agent Party in writing, or has made a public statement to the effect, that it does not intend to comply with any of its funding or payment obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent to such funding or payment under this Agreement cannot be satisfied); (c) has failed, within three Business Days after request by the Administrative Agent or Issuing Bank, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Agent Party’s receipt of such certification; or (d) has become the subject of a Bankruptcy Event.

“Designated Noncash Consideration” means the Fair Market Value of noncash consideration received by the Borrower or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Noncash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale of such Designated Noncash Consideration.

“Designation” has the meaning assigned to such term in the definition of “Unrestricted Subsidiary.”

“Designation Amount” has the meaning assigned to such term in the definition of “Unrestricted Subsidiary.”

“Disclosed Matters” means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.06.

“Disposition” means, with respect to any property, any sale, lease, license, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms “Dispose” and “Disposed of” shall have correlative meanings.

“Disqualified Equity Interests” of any Person means any class of Equity Interests of such Person that, by its terms, or by the terms of any related agreement or of any security into which it is convertible, puttable or exchangeable, is, or upon the happening of any event or the passage of time would be, required to be redeemed by such Person, whether or not at the option of the holder thereof, or matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, in whole or in part, in each case on or prior to the date that is 91 days after the Revolving Termination Date; provided, however, that any class of Equity Interests of such Person that, by its

terms, authorizes such Person to satisfy in full its obligations with respect to the payment of dividends or upon maturity, redemption (pursuant to a sinking fund or otherwise) or repurchase thereof or otherwise by the delivery of Equity Interests that are not Disqualified Equity Interests, and that is not convertible, puttable or exchangeable for Disqualified Equity Interests or Indebtedness, will not be deemed to be Disqualified Equity Interests so long as such Person satisfies its obligations with respect thereto solely by the delivery of Equity Interests that are not Disqualified Equity Interests; provided, further, however, that any Equity Interests that would not constitute Disqualified Equity Interests but for provisions thereof giving holders thereof (or the holders of any security into or for which such Equity Interests are convertible, exchangeable or exercisable) the right to require the Borrower to redeem such Equity Interests upon the occurrence of a change of control occurring prior to the 91st day after the Revolving Termination Date shall not constitute Disqualified Equity Interests if such Equity Interests specifically provide that the Borrower will not redeem any such Equity Interests pursuant to such provisions prior to the Obligations (other than (x) (i) Cash Management Obligations and (ii) Obligations under Specified Swap Agreements not yet due and payable, and (y) contingent obligations not yet accrued and payable) having been paid in full, all Letters of Credit having been cash collateralized or otherwise back-stopped or having been terminated, and the Total Revolving Commitments having been terminated.

“Dollar Amount” means, at any date, (a) with respect to any amount denominated in Dollars, such amount and (b) with respect to any amount denominated in amount other than Dollars, such amount converted to Dollars by the Administrative Agent at the Exchange Rate on such date.

“Dollars” or “\$” refers to lawful money of the United States of America.

“Domestic Subsidiary” means any Restricted Subsidiary of the Borrower that is not a Foreign Subsidiary.

“EMU” means the economic and monetary union in accordance with the Treaty of Rome 1957, as amended by the Single European Act 1986, the Maastricht Treaty of 1992 and the Amsterdam Treaty of 1998.

“EMU Legislation” means the legislative measures of the European Council for the introduction of, changeover to or operation of a single or unified European currency.

“Environmental Law” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by 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.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Restricted Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means, of any Person, (1) any and all shares or other equity interests (including common stock, preferred stock, limited liability company interests and partnership interests) in such Person and (2) all rights to purchase, warrants or options (whether or not currently exercisable), participations or other equivalents of or interests in (however designated) such shares or other interests in such Person, but excluding any debt securities convertible into such shares or other interests.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event” (as defined in Section 4043(c) of ERISA or the regulations issued thereunder) with respect to a Plan other than an event for which the 30-day notice period is waived; (b) any failure by any Plan to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA) applicable to such Plan, whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the failure to make by its due date a required installment under Section 430(j) of the Code with respect to any Plan or the failure by the Borrower or any of its ERISA Affiliates to make any required contribution to a Multiemployer Plan; (e) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, including but not limited to the imposition of any Lien in favor of the PBGC or any Plan; (f) a determination that any Plan is, or is expected to be, in “at risk” status (within the meaning of Section 430 of the Code or Title IV of ERISA); (g) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan; (h) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan (or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA) or Multiemployer Plan; or (i) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent, in Reorganization or in endangered or critical status, within the meaning of Section 432 of the Code or Section 305 of ERISA.

“Euro” and “EUR” mean the lawful currency of the Participating Member States introduced in accordance with EMU Legislation.

“Eurocurrency” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Eurocurrency Rate.

“Eurocurrency Rate” means, with respect to (A) any Eurocurrency Borrowing in any LIBOR Quoted Currency and for any applicable Interest Period, the LIBOR Screen Rate as of the Applicable Time on the Quotation Day for such currency and Interest Period and (B) any Eurocurrency Borrowing in any Non-Quoted Currency and for any applicable Interest Period, the applicable Local Screen Rate for such Non-Quoted Currency as of the Applicable Time and on the Quotation Day for such currency and Interest Period; provided, that, if a LIBOR Screen Rate or a Local Screen Rate, as applicable, shall not be available at the applicable time for the applicable Interest Period (an “Impacted Interest Period”), then the Eurocurrency Rate for such currency and Interest Period shall be the Interpolated Rate; provided, further, that if the applicable Screen Rate shall not be available for such Interest Period and/or for the applicable currency with respect to such Eurocurrency Borrowing for any reason and the Administrative Agent shall determine that it is not possible to determine the Interpolated Rate (which conclusion shall be conclusive and binding absent manifest error), then the applicable Reference Bank Rate shall be the Eurocurrency Rate for such Interest Period for such Eurocurrency Borrowing; subject to Section 2.11; provided, that, if any Eurocurrency Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Event of Default” has the meaning assigned to such term in Section 7.01.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Exchange Rate” means, on any day, with respect to Dollars in relation to any Alternative Currency, the rate at which Dollars may be exchanged into such Alternative Currency, as set forth at approximately 11:00 a.m., New York City time, on such day on the applicable Reuters World Spot Page. In the event that such rate does not appear on the applicable Reuters World Spot Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower or, in the absence of such agreement, the Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such currency are then being conducted, at or about 11:00 a.m., London time, on such date for the purchase of such Alternative Currency with Dollars, for delivery on such date, in the case where such Alternative

Currency is Sterling, or two Business Days later, in the case of each other Alternative Currency; provided that if at the time of any such determination, for any reason, no such spot rate is being reasonably quoted, the Administrative Agent, after consultation with the Borrower, may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

“Excluded Equity Interests” means any Equity Interests (a) of any subsidiary (i) for which the pledge of its Equity Interests is prohibited by applicable law or by Contractual Obligations existing on the Closing Date (or, in the case of a newly acquired subsidiary, in existence at the time of acquisition but not entered into in contemplation thereof) or for which governmental (including regulatory) consent, approval, license or authorization would be required or (ii) that is not a Material Subsidiary, (b) of any Foreign Subsidiary or FSHCO in excess of 65% of each class of outstanding Equity Interests of such Foreign Subsidiary or FSHCO or (c) except during the Shared Collateral Period (if any), of members of the Match Group other than the Equity Interests of The Match Group, Inc. owned by the IAC Group.

“Excluded Subsidiary” means (a) any subsidiary that is not a Wholly Owned Subsidiary, (b) any subsidiary that is prohibited by applicable law or by Contractual Obligations existing on the Closing Date (or, in the case of any newly acquired subsidiary, in existence at the time of acquisition but not entered into in contemplation thereof) from guaranteeing the Obligations or if guaranteeing the Obligations would require governmental (including regulatory) consent, approval, license or authorization, (c) any subsidiary that is not a Material Domestic Subsidiary, (d) any Unrestricted Subsidiary, (e) any FSHCO and (f) any Domestic Subsidiary that is a direct or indirect subsidiary of a Foreign Subsidiary that is a CFC.

“Excluded Swap Obligation” means 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 (a) such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder or (b) in the case of a Swap Obligation subject to a clearing requirement pursuant to Section 2(h) of the Commodity Exchange Act (or any successor provision thereto), because such Guarantor is a “financial entity,” as defined in Section 2(h)(7)(C)(i) of the Commodity Exchange Act (or any successor provision thereto), in each case at the time the Guarantee of such Guarantor or the grant of such security interest becomes effective with respect to such Swap Obligation, unless otherwise agreed between the Administrative Agent and the Borrower. 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” means (a) in the case of each Lender and the Administrative Agent, taxes imposed on its overall net income, and franchise taxes imposed on it in lieu of net income taxes by a jurisdiction (including any political subdivision thereof) as a result of (i) such Lender or the Administrative Agent’s being organized under the laws of or having a principal office in such jurisdiction and, in the case of a Lender, having an applicable lending office in such jurisdiction or (ii) a present or former connection between such Lender or the Administrative Agent and the jurisdiction (other than any connection arising solely from such Lender or the Administrative Agent 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 and/or enforced any Loan Document); (b) any tax in the nature of branch profits taxes imposed by any jurisdiction described in clause (a); (c) in the case of a Non-U.S. Lender, United States federal withholding tax imposed pursuant to laws in effect on the date on which (i) such Non-U.S. Lender becomes a Lender or (ii) such Non-U.S. Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.14, additional amounts with respect to such taxes were payable either to such Non-U.S. Lender’s assignor immediately before such Non-U.S. Lender became a party hereto or to such Non-U.S. Lender immediately before it changed its lending office; (d) any taxes attributable to such Lender’s failure to comply with Section 2.14(e) and (e) any United States federal withholding taxes imposed under FATCA.

“Fair Market Value” means, with respect to any asset, as determined by the Borrower, the price (after taking into account any liabilities relating to such assets) that would be negotiated in an arm’s-length transaction for cash between a willing seller and a willing and able buyer, neither of which is under any compulsion to complete the transaction.

“FATCA” means 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 current Code (or any amended or successor version described above) and any intergovernmental agreements implementing the foregoing.

“Federal Funds Effective Rate” means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) charged to the Administrative Agent on such day on such transactions from three Federal funds brokers of recognized standing selected by it.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

“Foreign Lender” means any Lender that is not a “United States person” as defined in Section 7701(a)(30) of the Code.

“Foreign Subsidiary” means any Restricted Subsidiary of the Borrower that is organized under the laws of any jurisdiction other than the United States, any State thereof or the District of Columbia.

“FSHCO” means any Domestic Subsidiary that owns no material assets other than Equity Interests of one or more Foreign Subsidiaries that are CFCs or Equity Interests of one or more other FSHCOs.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, consistently applied.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state, local, provincial or otherwise, 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.

“Guarantee” of or by any Person (the “guarantor”) means a direct or indirect guarantee by any Person of any Indebtedness of any other Person and includes any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep well, to purchase assets, goods, securities or services (unless such purchase arrangements are on arm’s length terms and are entered into in the ordinary course of business), to take-or-pay, or to maintain financial statement conditions or otherwise); or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); “Guarantee,” when used as a verb, and “Guaranteed” have correlative meanings.

“guarantor” has the meaning assigned to such term in the definition of “Guarantee.”

“Hazardous Materials” means 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 means the obligations of such Person under swap, cap, collar, forward purchase or similar agreements or arrangements dealing with interest rates, currency exchange rates or commodity prices, either generally or under specific contingencies.

“IAC Group” means the Borrower and its subsidiaries not including the Match Group.

“Incremental Revolving Commitment” means an increased or new Revolving Commitment incurred in connection with an Incremental Revolving Commitment Activation Notice.

“Incremental Revolving Commitment Activation Notice” means a notice substantially in the form of Exhibit F-2.

“Incremental Revolving Commitment Closing Date” means any Business Day designated as such in an Incremental Revolving Commitment Activation Notice.

“Incremental Revolving Lender” has the meaning assigned to such term in Section 2.02(d).

“Indebtedness” of any Person at any date means, without duplication:

- (1) all liabilities, contingent or otherwise, of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all reimbursement obligations of such Person in respect of letters of credit, letters of guaranty, bankers’ acceptances and similar credit transactions;
- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except (i) trade payables and accrued expenses incurred by such Person in the ordinary course of business and (ii) amounts accrued associated with contingent consideration arrangements;
- (5) all Capital Lease Obligations of such Person;
- (6) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person;
- (7) all Indebtedness of others Guaranteed by such Person to the extent of such Guarantee; provided that Indebtedness of the Borrower or its subsidiaries that is Guaranteed by the Borrower or the Borrower’s subsidiaries shall only be counted once in the calculation of the amount of Indebtedness of the Borrower and its subsidiaries on a consolidated basis; and
- (8) all obligations of such Person under conditional sale or other title retention agreements relating to assets purchased by such Person (excluding obligations arising from inventory transactions in the ordinary course of business).

The amount of any Indebtedness which is incurred at a discount to the principal amount at maturity thereof as of any date shall be deemed to have been incurred at the accreted value thereof as of such date. The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above, the maximum liability of such Person for any such contingent obligations at such date and, in

the case of clause (6), the lesser of (a) the Fair Market Value of any asset subject to a Lien securing the Indebtedness of others on the date that the Lien attaches and (b) the amount of the Indebtedness secured.

“Indemnified Taxes” means all Taxes other than Excluded Taxes.

“Indemnitee” has the meaning assigned to such term in Section 9.04(b).

“Information” has the meaning assigned to such term in Section 9.13.

“Insolvent” with respect to any Multiemployer Plan means the condition that such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA.

“Intellectual Property” means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, patents, trademarks, service marks, trade dress, internet domain names, software, data, databases, technology, know-how, trade secrets, processes and other confidential or proprietary information, together with all registrations and applications for registration thereof, all licenses thereof or pertaining thereto, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Interest Election Request” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period.

“Interest Period” means, as to any Eurocurrency Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurocurrency Loan and ending one week, one month, two months, three months or six months (or, if available to all Lenders under the Revolving Facility, twelve months) thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto, and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurocurrency Loan and ending one week, one month, two months, three months or six months (or, if agreed to by all Lenders under the Revolving Facility, twelve months or such other, shorter period) thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not later than 12:00 noon, New York City time (or in the case of an Alternative Currency, 11:00 a.m., London time), on the date that is three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period for a Revolving Loan that would extend beyond the Revolving Termination Date; and

(iii) any Interest Period of at least one month’s duration that 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 a calendar month.

“Interpolated Rate” means, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the relevant Screen Rates) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the applicable Screen Rate (for the longest period for which the applicable Screen Rate is available for the applicable currency) that is shorter than the Impacted Interest Period and (b) the applicable Screen Rate for the shortest period (for which such Screen Rate is available for the applicable currency) that exceeds the Impacted Interest Period, in each case, as of the Specified Time on the Quotation Day for such Interest Period. When determining the rate for a period which is less than the shortest period for which the relevant Screen Rate is available, the applicable Screen Rate for purposes of paragraph (a) above shall be deemed to be the overnight screen rate where “overnight screen rate” means, in relation to any currency, the overnight rate for such currency determined by the Administrative Agent from such service as the Administrative Agent may select.

“Investment Grade Rating” means a rating equal to or higher than Baa3 (or the equivalent) if by Moody’s and BBB- (or the equivalent) if by Standard & Poor’s.

“Investments” has the meaning assigned to such term in Section 6.11.

“Issuing Bank” means JPMorgan Chase Bank, N.A., in its capacity as an issuer of Letters of Credit, and its successors in such capacity as provided in Section 2.17(i). The Borrower may, with the consent of the Administrative Agent (which consent shall not be unreasonably withheld), arrange for one or more Letters of Credit to be issued by other Lenders, in which case the term “Issuing Bank” shall include such Lender with respect to the Letters of Credit issued by such Lender; provided that no such Lender shall have any obligation to be an Issuing Bank unless it agrees to do so in its sole discretion.

“Judgment Currency” has the meaning assigned to such term in Section 9.14.

“LC Disbursement” means a payment made by the Issuing Bank pursuant to a demand for payment or drawing under a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Revolving Commitment Percentage of the total LC Exposure at such time.

“LC Participation Calculation Date” means, with respect to any LC Disbursement made by the Issuing Bank or any refund of a reimbursement payment made by the Issuing Bank to the Borrower, in each case in a currency other than Dollars, (a) the date on which such Issuing Bank shall advise the Administrative Agent that it purchased with Dollars the currency used to make such LC Disbursement or refund or (b) if such Issuing Bank shall not advise the Administrative Agent that it made such a purchase, the date on which such LC Disbursement or refund is made.

“Lead Arrangers” means, collectively, J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith, Incorporated, BNP Paribas Securities Corp. and PNC Capital Markets LLC, as joint lead arrangers and joint bookrunners.

“Lender Presentation” means the Lender Presentation made available to the Lenders in connection with the Lender meeting held on September 17, 2015 with respect to the Revolving Facility and this Agreement.

“Lenders” means the Persons listed on Schedule 1.01A and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption or any New Lender Supplement, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“Letter of Credit” means any letter of credit issued pursuant to Section 2.17.

“Liberty Bond Guaranty Agreement” means that certain Guaranty Agreement, dated as of August 1, 2005, from the Borrower to the Bank of New York, as trustee.

“Liberty Bonds” means the 5% New York City Industrial Development Agency Liberty Bonds (IAC/InterActiveCorp Project), Series 2005, issued pursuant to the Indenture of Trust dated August 1, 2005 between New York City Industrial Development Agency and the Bank of New York, as trustee, which are guaranteed by the Borrower pursuant to the Liberty Bond Guaranty Agreement.

“LIBOR Quoted Currency” means Dollars, Euros, Sterling and Yen.

“LIBOR Screen Rate” means the London interbank offered rate administered by the ICE Benchmark Association (or any other Person that takes over the administration of such rate) for such LIBOR Quoted Currency for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen or, in the event such rate does not appear on either of such Reuters pages, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as shall be selected by the Administrative Agent from time to time in its reasonable discretion.

“Lien” means, with respect to any asset, any mortgage, deed of trust, lien (statutory or other), pledge, easement, charge, security interest or other encumbrance of any kind or nature in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset. “Lien” shall not, however, include any interest of a vendor in any inventory of the Borrower or any of its Restricted Subsidiaries arising out of such inventory being subject to a “sale or return” arrangement with such vendor or any consignment by any third party of any inventory to the Borrower or any of its Restricted Subsidiaries.

“Loan Documents” means the collective reference to this Agreement, the Subsidiary Guarantee, the Collateral Documents (other than during a Collateral Suspension Period), the Letters of Credit and any amendments or waivers to any of the foregoing.

“Loan Parties” means the collective reference to the Borrower and the Subsidiary Guarantors.

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement.

“Local Screen Rates” means the Australian Dollar Screen Rate and the CDOR Screen Rate; provided, that, if any Local Screen Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Match Credit Agreement” means the credit agreement, dated as of the Amendment Effective Date, among The Match Group, Inc., as borrower, JPMorgan Chase Bank, N.A. as administrative agent and collateral agent, the issuing banks, the lenders and the other parties thereto, as amended, restated, supplemented or otherwise modified or refinanced from time to time.

“Match Disposition” means, at any time after the Separation Date, any (i) issuance of Equity Interests by The Match Group, Inc. or (ii) Disposition or distribution by the Borrower or any of its subsidiaries of (x) any Equity Interests of The Match Group, Inc. or any of its subsidiaries or (y) any assets of The Match Group, Inc.

“Match Facility Collateral Agent” means JPMorgan Chase Bank, N.A. in its capacity as collateral agent for the secured parties under the Match Credit Agreement.

“Match Group” means The Match Group, Inc. and its subsidiaries.

“Match Offering” means the issuance by The Match Group, Inc. of up to an aggregate of 20% of the economic interest represented by all outstanding capital stock of The Match Group, Inc. as of the date of the Match Offering (after giving pro forma effect to the issuance of such capital stock in such offering) in an initial

underwritten public offering pursuant to an effective registration statement filed with the SEC pursuant to the Securities Act.

“Match Transactions” means, the Match Offering, and in connection therewith, the entry into a number of related transactions and agreements with the Match Group, including, but not limited to:

(a) entry into and consummation of the transactions contemplated under a master transaction agreement, an investor rights agreement, a services agreement, a tax sharing agreement, an employee matters agreement and similar agreements and arrangements and the transactions in connection therewith;

(b) subject to compliance by the Borrower on a pro forma basis with a Consolidated Leverage Ratio of not greater than 3.25 to 1.00, the incurrence prior to the Match Offering, extension of existing or settlement of (x) unsecured intercompany loans, intercompany payables and intercompany receivables between the Match Group and the IAC Group or (y) any intercompany contributions from the IAC Group to the Match Group (and, in each case, payments or distributions thereon), in each case (i) under intercompany arrangements existing as of the Amendment Effective Date or put in place in connection with the Match Offering or related transactions, (ii) in connection with the acquisition of Plentyoffish Media Inc. or (iii) in connection with cash management arrangements;

(c) subject to certain limitations set forth in the Match Credit Agreement, dividends or distributions of cash and other property from the Match Group to the IAC Group (i) of a combination of cash and/or intercompany notes which, in the aggregate, do not exceed the net cash proceeds of the Match Offering, (ii) of a combination of the net cash proceeds of certain Indebtedness incurred by the Match Group on or prior to the date of the Match Offering and/or debt securities issued by Match or IAC which, in the aggregate, do not exceed \$1,500,000,000, in each case, designated by the Borrower as incurred in connection with the Match Offering, (iii) of any cash on the balance sheet of the Match Group on the Amendment Effective Date and any cash flow of the Match Group accruing from and after the Amendment Effective Date until the date of the Match Offering and (iv) without duplication, in an amount equal to any proceeds from cash common equity contributions received by the Match Group after the Amendment Effective Date and prior to the date of the Match Offering;

(d) subject to compliance by the Borrower on a pro forma basis with a Consolidated Leverage Ratio of not greater than 3.25 to 1.00, the entry into and performance of the obligations under Match Credit Agreement, including any incremental facilities added thereunder to the extent the incurrence of such incremental facilities is not prohibited by Section 6.01 (other than in reliance on Section 6.01(y)), and any related agreements, including any guarantee agreements or pledge agreements; and

(e) the creation of, and payments under, unsecured intercompany Indebtedness owed by a member of the Match Group to a member of the IAC Group that is by its terms subordinated in right of payment to the obligations under the Match Credit Agreement and which will have a scheduled final maturity date at least 90 days after the Revolving Termination Date.

“Material Adverse Effect” means a material adverse effect on (a) the business, operations, property or condition, financial or otherwise, of the Borrower and its Restricted Subsidiaries taken as a whole that results in a material impairment of the ability of the Borrower to perform any payment obligations hereunder or (b) the validity or enforceability of this Agreement or the other Loan Documents or the rights or remedies of the Administrative Agent (including in its capacity as Collateral Agent) or the Lenders hereunder or thereunder.

“Material Domestic Subsidiary” means any Wholly Owned Subsidiary that is a Domestic Subsidiary of the Borrower, as of the last day of the fiscal quarter of the Borrower most recently ended for which financial statements have been or are required to have been delivered, that has assets or revenues (including third party revenues but not including intercompany revenues) with a value in excess of 2.50% of the consolidated assets of the Borrower and its Wholly Owned Subsidiaries that are Domestic Subsidiaries or 2.50% of the consolidated revenues of the Borrower and its Wholly Owned Subsidiaries that are Domestic Subsidiaries; provided that in the event Wholly Owned

Subsidiaries that are Domestic Subsidiaries that would otherwise not be Material Domestic Subsidiaries shall in the aggregate account for a percentage in excess of 7.50% of the consolidated assets of the Borrower and its Wholly Owned Subsidiaries that are Domestic Subsidiaries or 7.50% of the consolidated revenues of the Borrower and its Wholly Owned Subsidiaries that are Domestic Subsidiaries as of the end of and for the most recently completed fiscal quarter, then one or more of such Domestic Subsidiaries designated by the Borrower (or, if the Borrower shall make no designation, one or more of such Domestic Subsidiaries in descending order based on their respective contributions to the consolidated assets of the Borrower), shall be included as Material Domestic Subsidiaries to the extent necessary to eliminate such excess.

“Material Indebtedness” means Indebtedness (other than the Loans), or obligations in respect of a Swap Agreement, of any one or more of the Borrower and its Restricted Subsidiaries in an aggregate principal amount exceeding \$50,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Borrower or any Restricted Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Restricted Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Material Subsidiary” means any Restricted Subsidiary of the Borrower, as of the last day of the fiscal quarter of the Borrower most recently ended for which financial statements have been, or were required to be, delivered pursuant to Section 5.01, that has assets or revenues (including third party revenues but not including intercompany revenues) with a value in excess of 1.0% of the consolidated assets of the Borrower or 1.0% of the consolidated revenues of the Borrower; provided that in the event Restricted Subsidiaries that would otherwise not be Material Subsidiaries shall in the aggregate account for a percentage in excess of 7.5% of the consolidated assets of the Borrower or 7.5% of the consolidated revenues of the Borrower as of the end of and for the most recently completed fiscal quarter for which financial statements have been, or were required to be, delivered pursuant to Section 5.01, then one or more of such Restricted Subsidiaries designated by the Borrower (or, if the Borrower shall make no designation, one or more of such Restricted Subsidiaries in descending order based on their respective contributions to the consolidated assets of the Borrower), shall be included as Material Subsidiaries to the extent necessary to eliminate such excess.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“New Collateral Documents” has the meaning assigned to such term in Section 5.10(b).

“New Lender” has the meaning assigned to such term in Section 2.02(c).

“New Lender Supplement” has the meaning assigned to such term in Section 2.02(c).

“Non-Consenting Lender” has the meaning assigned to such term in Section 2.16(c).

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Non-Loan Party” means any Restricted Subsidiary other than a Loan Party.

“Non-Quoted Currency” means each of Australian Dollars and Canadian Dollars.

“Non-U.S. Lender” means any Lender that is not a U.S. Lender.

“Obligations” means the unpaid principal of and interest on (including interest, fees and expenses accruing after the maturity of the Loans and interest, fees and expenses accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Borrower, whether or not a claim for post-filing or post-petition interest, fees and expenses is allowed in such proceeding) the Loans, the obligations of the Loan Parties to reimburse the Issuing Bank for demands for payment or drawings under a Letter of

Credit, and all other obligations and liabilities of the Borrower to the Administrative Agent or to any Secured Party, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, any Specified Swap Agreement, any Cash Management Agreement or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, fees, indemnities, costs, expenses or otherwise (including all fees, charges and disbursements of counsel to the Administrative Agent, the Lead Arranger or to any Lender that are required to be paid by the Borrower pursuant hereto). Notwithstanding the foregoing, the Obligations shall not include any Excluded Swap Obligations.

“OFAC” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“Officer’s Certificate” means a certificate of a Financial Officer in form and substance reasonably acceptable to the Administrative Agent.

“Original Credit Agreement” has the meaning assigned to such term in the recitals hereto.

“Other Taxes” means all present or future stamp or documentary Taxes or any other excise or property Taxes, charges or similar levies arising from any payment made under any Loan Document or from the execution, delivery or enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document.

“Outstanding Revolving Credit” means, with respect to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate then outstanding principal amount of such Revolving Lender’s Revolving Loans and (b) such Revolving Lender’s LC Exposure.

“parent” has the meaning assigned to such term in the definition of “subsidiary.”

“Parent Company” has the meaning assigned to such term in the definition of “Bankruptcy Event.”

“Pari Passu Indebtedness” means Secured Indebtedness of the Borrower (other than the Obligations) so long as (a) the Obligations are secured equally and ratably with (or better than) such Indebtedness in accordance with an intercreditor agreement reasonably satisfactory to the Collateral Agent and the Obligations are guaranteed to at least the same extent by any Restricted Subsidiary that has guaranteed such Indebtedness, (b) such Secured Indebtedness has a final maturity date occurring after the date that is 90 days after the latest final maturity date applicable to the Loans at the time such Secured Indebtedness is incurred, (c) such Secured Indebtedness does not have scheduled amortization payments (excluding the final installment thereof) in excess of 1% per annum of the original aggregate outstanding principal amount of such Secured Indebtedness, (d) such Secured Indebtedness has no financial maintenance covenants of a different type than those in this Agreement, and no financial maintenance covenants that are more restrictive than those in this Agreement, and (e) such Secured Indebtedness does not have negative covenants and/or default provisions that are materially more restrictive than those contained in this Agreement (as certified, in the case of this clause (e), by a Financial Officer pursuant to a certificate reasonably acceptable to the Administrative Agent, which certificate, upon delivery to the Administrative Agent, shall be conclusive as to compliance with this clause (e)).

“Pari Passu Intercreditor Agreement” means an intercreditor agreement dated as of the first day of the Shared Collateral Period (if any), between the Collateral Agent and the Match Facility Collateral Agent substantially in the form attached as Exhibit J, with modifications, if any, that the Borrower and the Collateral Agent may agree.

“Participant” has the meaning assigned to such term in Section 9.05(c).

“Participant Register” has the meaning assigned to such term in Section 9.05(c).

“Participating Member State” means any member state of the EMU which has the Euro as its lawful currency.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Perfection Certificate” means a certificate in the form of Exhibit H or any other form approved by the Administrative Agent (acting reasonably), as the same shall be supplemented from time to time by any supplement thereto or otherwise.

“Permitted Encumbrances” means:

- (a) Liens imposed by law for taxes, assessments or governmental charges that are not yet due or are being contested in compliance with Section 5.04;
- (b) landlord’s, carriers’, warehousemen’s, mechanics’, supplier’s, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.04;
- (c) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation (or pursuant to letters of credit issued in connection with such workers’ compensation compliance), unemployment insurance and other social security laws or regulations;
- (d) deposits to secure the performance of tenders, bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds, leases, subleases, government contracts and return-of-money bonds, letters of credit and other obligations of a like nature, in each case in the ordinary course of business (exclusive of the obligation for the payment of borrowed money);
- (e) judgment liens in respect of judgments that do not constitute an Event of Default under Section 7.01(j);
- (f) easements, zoning restrictions, rights-of-way, survey exception, minor encumbrances, reservation of, licenses, electric lines, telegraph and telephone lines 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 interfere with the ordinary conduct of business of the Borrower or any Restricted Subsidiary;
- (g) Liens securing obligations in respect of trade-related letters of credit and covering the goods (or the documents of title in respect of such goods) financed or the purchase of which is supported by such letters of credit and the proceeds and products thereof;
- (h) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person’s obligations in respect of bankers’ acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods; and
- (i) Liens securing obligations in respect of letters of credit, bank guarantees, warehouse receipts or similar instruments issued to support performance obligations (other than Obligations in respect of Indebtedness) and trade-related letters of credit, in each case, outstanding on the Closing Date or issued thereafter in and covering the goods (or the documents of title in respect of such goods) financed by such letters of credit, banker’s acceptances or bank guarantees and the proceeds and products thereof.

“Permitted Holders” means any one or more of (a) Barry Diller, (b) each of the respective Affiliated Persons of the Person referred to in clause (a) and (c) 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) or (b).

“Permitted Liens” means Liens permitted by Section 6.02.

“person” and “group” have the meanings given to them for purposes of Section 13(d) and 14(d) of the Exchange Act or any successor provisions, and the term “group” includes any group acting for the purpose of acquiring, holding or disposing of securities within the meaning of rule 13d-5(b)(1) under the Exchange Act, or any successor provision.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, incorporated or unincorporated association, joint-stock company, trust, unincorporated organization or government or other agency or political subdivision thereof or other entity of any kind.

“Plan” means an employee pension benefit plan as defined in Section 3(2) of ERISA (other than a Multiemployer Plan), subject to the provisions of Section 302 and Title IV of ERISA or Section 412 of the Code, and in respect of which the Borrower or any ERISA Affiliate is (or if such plan were terminated, would under Section 4062 or 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Pledge Agreement” means the Pledge Agreement by the Borrower and certain subsidiaries of the Borrower entered into on the Closing Date.

“Preferred Stock” means, with respect to any Person, any and all preferred or preference stock or other equity interests (however designated) of such Person whether now outstanding or issued after the Closing Date.

“Pricing Grid” means the table below.

Consolidated Leverage Ratio	Commitment Fee Rate	Applicable Rate for Eurocurrency Loans	Applicable Rate for ABR Loans
>3.00:1.00	0.40%	2.25%	1.25%
≤3.00:1.00 but >2.25:1.00	0.35%	2.00%	1.00%
≤2.25:1.00 but >1.75:1.00	0.30%	1.75%	0.75%
≤1.75:1.00 but >0.75:1.00	0.25%	1.50%	0.50%
≤0.75:1.00	0.20%	1.25%	0.25%

For the purposes of the Pricing Grid, changes in the Applicable Rate and Commitment Fee Rate resulting from changes in the Consolidated Leverage Ratio shall become effective on the date (the “Adjustment Date”) on which financial statements are delivered to the Lenders pursuant to Section 5.01 and shall remain in effect until the next change to be effected pursuant to this paragraph. Notwithstanding the foregoing, if any financial statements referred to above are not delivered within the time periods specified in Section 5.01, then, until the date on which such financial statements are delivered, the highest rate set forth in each column of the Pricing Grid shall apply. In addition, at all times while an Event of Default shall have occurred and be continuing, the highest rate set forth in each column of the Pricing Grid shall apply. Each determination of the Consolidated Leverage Ratio pursuant to the Pricing Grid shall be made in a manner consistent with the determination thereof pursuant to Section 6.10.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

“Priority and Secured Debt” means, at any date, the sum of, without duplication (i) the aggregate principal amount of all Indebtedness of any Non-Loan Parties plus (ii) the aggregate principal amount of all Secured Indebtedness of the Loan Parties, excluding in each case Indebtedness of the Borrower or any Restricted Subsidiary owed to the Borrower or any Restricted Subsidiary, all as set forth on the balance sheet of the Borrower and its Restricted Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP.

“Priority and Secured Leverage Ratio” means, as of any date of determination, the ratio of (a) Priority and Secured Debt as of the last day of the Test Period most recently ended on or prior to such date of determination to

(b) Consolidated EBITDA for such Test Period, in each case with such pro forma adjustments to the amount of “Indebtedness” and “Consolidated EBITDA” as are appropriate and consistent with the pro forma adjustment provisions set forth in the definitions of “Consolidated EBITDA” and “Consolidated Leverage Ratio”; provided that the Borrower may elect, pursuant to an Officer’s Certificate delivered to the Administrative Agent to treat all or any portion of any revolving commitment under any Indebtedness as being incurred and outstanding at such time and for so long as such revolving commitments remain outstanding (regardless of whether then drawn), in which case any subsequent incurrence of Indebtedness under such revolving commitment shall not be deemed, for purposes of this calculation, to be an incurrence at such subsequent time.

“Priority Indebtedness” means (i) Indebtedness of any Non-Loan Party (whether secured or unsecured) and (ii) any Secured Indebtedness of the Loan Parties incurred pursuant to Section 6.01(e).

“Qualified Equity Interests” of any Person means Equity Interests of such Person other than Disqualified Equity Interests. Unless otherwise specified, Qualified Equity Interests refer to Qualified Equity Interests of the Borrower.

“Quotation Day” means, with respect to any Eurocurrency Borrowing for any Interest Period, (i) if the currency is Sterling, Australian Dollars or Canadian Dollars, the first day of such Interest Period, (ii) if the currency is Euro, two TARGET2 Days before the first day of such Interest Period, (iii) for any other currency, two Business Days prior to the commencement of such Interest Period (unless, in each case, market practice differs in the relevant market where the Eurocurrency Rate for such currency is to be determined, in which case the Quotation Day will be determined by the Administrative Agent in accordance with market practice in such market (and if quotations would normally be given on more than one day, then the Quotation Day will be the last of those days)).

“Reference Bank Rate” means the arithmetic mean of the rates (rounded upwards to four decimal places) supplied to the Administrative Agent at its request by the Reference Banks (as the case may be) as of the Specified Time on the Quotation Day for Loans in the applicable currency and the applicable Interest Period:

(a) in relation to Loans in Australian Dollars, as the bid rate observed by the relevant Reference Bank for Australian Dollars denominated bank accepted bills and negotiable certificates of deposit issued by banks which are for the time being designated “Prime Banks” by the Australian Financial Markets Association that have a remaining maturity equal to the relevant Interest Period;

(b) in relation to Loans in Canadian Dollars, as the rate at which the relevant Reference Bank is willing to extend credit by the purchase of bankers’ acceptances which have been accepted by banks which are for the time being customarily regarded as being of appropriate credit standing for such purpose with a term to maturity equal to the relevant period; and

(c) in relation to Loans in any currency other than AUD, CAD and Euros, as the rate at which the relevant Reference Bank could borrow funds in the London interbank market in the relevant currency and for the relevant period, were it to do so by asking for and then accepting interbank offers in reasonable market size in that currency and for that period; and

provided, that, if any Reference Bank Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement

“Reference Banks” means such banks as may be selected by the Administrative Agent (subject to consent by each such Reference Bank) and are reasonably acceptable to the Borrower.

“refinance” means, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, prepay, or to issue other Indebtedness in exchange or replacement for, such Indebtedness.

“Refinanced Indebtedness” has the meaning assigned to such term in the definition of “Refinancing Indebtedness.”

“Refinancing Indebtedness” means Indebtedness of the Borrower or a Restricted Subsidiary incurred in exchange for, or the proceeds of which are used to redeem or refinance in whole or in part, any Indebtedness of the Borrower or any Restricted Subsidiary (the “Refinanced Indebtedness”); provided that:

(a) the principal amount (and accreted value, in the case of Indebtedness issued at a discount) of the Refinancing Indebtedness does not exceed the principal amount (and accreted value, as the case may be) of the Refinanced Indebtedness plus the amount of accrued and unpaid interest on the Refinanced Indebtedness, any premium paid to the holders of the Refinanced Indebtedness and expenses incurred in connection with the incurrence of the Refinancing Indebtedness;

(b) the obligor of Refinancing Indebtedness does not include any Person (other than the Borrower or any Restricted Subsidiary) that is not an obligor of the Refinanced Indebtedness;

(c) if the Refinanced Indebtedness was by its terms subordinated in right of payment to the Loans or the Subsidiary Guarantee, as the case may be, then such Refinancing Indebtedness, by its terms, is subordinate in right of payment to the Loans or the Subsidiary Guarantee, as the case may be, at least to the same extent as the Refinanced Indebtedness;

(d) the Refinancing Indebtedness has a final stated maturity either (a) no earlier than the Refinanced Indebtedness being redeemed or refinanced or (b) after the date that is 90 days after the last maturity date applicable to the Loans at the time the Refinancing Indebtedness is incurred; and

(e) the portion, if any, of the Refinancing Indebtedness that is scheduled to mature on or prior to the last maturity date applicable to the Loans at the time the Refinancing Indebtedness is incurred has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred that is equal to or greater than the Weighted Average Life to Maturity of the portion of the Refinanced Indebtedness being redeemed or refinanced that is scheduled to mature on or prior to the last maturity date applicable to the Loans at the time the Refinancing Indebtedness is incurred (provided that Refinancing Indebtedness in respect of Refinanced Indebtedness that has no amortization may provide for amortization installments, sinking fund payments, senior maturity dates or other required payments of principal of up to 1% of the aggregate principal amount per annum).

“Register” has the meaning assigned to such term in Section 9.05(b)(iv).

“Related Business” means any business in which the Borrower or any Restricted Subsidiary was engaged on the Amendment Effective Date or any reasonable extension of such business and any business related, ancillary or complementary to any business of the Borrower or any Restricted Subsidiary in which the Borrower or any Restricted Subsidiary was engaged on the Amendment Effective Date or any reasonable extension of such business.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Reorganization” means, with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

“Replacement Lender” has the meaning assigned to such term in Section 2.16(c).

“Required Lenders” means, subject to Section 2.18(b), at any time, the holders of more than 50% of the sum of the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Exposure then outstanding.

“Requirements of Law” means, as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule, regulation or official administrative

pronouncement or determination of an arbitrator or a court or other 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.

“Restricted Payment” means (a) any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Restricted Subsidiary, or (b) any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests of the Borrower or any option, warrant or other right to acquire any such Equity Interests.

“Restricted Subsidiary” means any subsidiary of the Borrower other than Unrestricted Subsidiaries.

“Revocation” has the meaning assigned to such term in the definition of “Unrestricted Subsidiary.”

“Revolving Commitment” means, as to any Revolving Lender, the obligation of such Revolving Lender to make Revolving Loans and purchase participation interests in Letters of Credit in an aggregate principal amount not to exceed the amount set forth under the heading “Revolving Commitment” opposite such Lender’s name on Schedule 1.01A or in the Assignment and Assumption or New Lender Supplement pursuant to which such Revolving Lender became a party hereto, as the same may be changed from time to time pursuant to the terms of this Agreement. The original aggregate Dollar Amount of all Revolving Commitments is \$300,000,000.

“Revolving Commitment Percentage” means, with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Revolving Commitment at such time to the Total Revolving Commitments at such time.

“Revolving Commitment Period” means the period from and including the Amendment Effective Date to the Revolving Termination Date.

“Revolving Facility” means the credit facility constituted by the Revolving Commitments and the extensions of credit thereunder.

“Revolving Fee Payment Date” means (a) the third Business Day following the last day of each March, June, September and December during the Revolving Commitment Period and (b) the last day of the Revolving Commitment Period.

“Revolving Lender” means each Lender that has a Revolving Commitment or that holds Revolving Loans.

“Revolving Loans” has the meaning assigned to such term in Section 2.01(a).

“Revolving Termination Date” means the fifth anniversary of the Amendment Effective Date.

“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or (b) the United Nations Security Council, the European Union or Her Majesty’s Treasury of the United Kingdom.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union or Her Majesty’s Treasury, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

“Screen Rate” means the LIBOR Screen Rate and the Local Screen Rates collectively and individually as the context may require.

“Search Disposition” means the Disposition or distribution by the Borrower or any of its subsidiaries of (i) any Equity Interests of IAC Search, LLC or any of its subsidiaries as of the Amendment Effective Date or any successor thereof, (ii) any assets of the Search Group outside of the ordinary course of business or (iii) any divisions or lines of business of the Search Group, which individually or in the aggregate, have a value of more than 20% of the Fair Market Value of the Search Group measured as of the Amendment Effective Date.

“Search Group” means IAC Search, LLC and its subsidiaries taken as a whole as of the Amendment Effective Date.

“SEC” means the Securities and Exchange Commission or any successor thereto.

“Secured Indebtedness” means Indebtedness of the Borrower or any Restricted Subsidiary that is (i) for borrowed money or a Capital Lease Obligation and (ii) secured by any Lien on any assets of the Borrower or any Restricted Subsidiary.

“Secured Parties” has the meaning assigned to such term in the Pledge Agreement.

“Senior Notes” means the 2012 Senior Notes and the 2013 Senior Notes.

“Separation Date” means the date on which The Match Group, Inc. is designated as an Unrestricted Subsidiary hereunder and in accordance with each of the indentures governing the Senior Notes, as applicable, in connection with the Match Transactions.

“Shared Collateral Period” means the period, if any, beginning on the 60th day following the Amendment Effective Date (as such date may be extended by up to 30 days at the written request of the Borrower with the written consent of the Administrative Agent (not to be unreasonably withheld or delayed)) (if the Separation Date has not occurred on or prior to such date) and ending on the Separation Date.

“Specified Swap Agreement” means any Swap Agreement in respect of interest rates or currency exchange rates entered into by the Borrower or any Subsidiary Guarantor and any Person that (i) at the time such Swap Agreement is entered into is a Lender or an Agent Party or an Affiliate of a Lender or an Agent Party or (ii) in the case of any such Swap Agreement in effect on or prior to the Closing Date, is, as of the Closing Date, a Lender or an Agent Party or an Affiliate of a Lender or an Agent Party, unless, when entered into, such Swap Agreement is designated in writing by the Borrower and such Lender or Agent Party or Affiliate of a Lender or Agent Party to the Administrative Agent to not be included as a Specified Swap Agreement.

“Standard & Poor’s” means Standard & Poor’s Rating Services a division of The McGraw-Hill Companies, Inc.

“Sterling” and “£” mean the lawful currency of the United Kingdom.

“subsidiary” means, with respect to any Person (the “parent”):

(1) any corporation, limited liability company, association or other business entity of which more than 50% of the total voting power of the Equity Interests entitled (without regard to the occurrence of any contingency) to vote in the election of the board of directors thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other subsidiaries of such Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a subsidiary of such Person or (b) the only general partners of which are such Person or one or more subsidiaries of such Person (or any combination thereof).

“Subsidiary Guarantee” means the Subsidiary Guarantee Agreement entered into by certain subsidiaries of the Borrower on December 21, 2012.

“Subsidiary Guarantor” means each Domestic Subsidiary that is a party to the Subsidiary Guarantee; provided that no Excluded Subsidiary shall be required to be a Subsidiary Guarantor of any obligations under this Agreement.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Restricted Subsidiaries shall be a Swap Agreement.

“Swap Obligation” means 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.

“Syndication Agent” means Bank of America, N.A.

“TARGET2 Day” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) payment system (or, if such payment system ceases to be operative, such other payment system reasonably determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in Euro.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Test Period” means the four consecutive fiscal quarter period most recently ended; provided that (x) prior to the first date that financial statements shall have been delivered pursuant to Section 5.01 of the Original Credit Agreement, the Test Period in effect shall be the period of four consecutive fiscal quarters of the Borrower ended September 30, 2012 and (y) on and after the Amendment Effective Date and prior to the first date after the Amendment Effective Date that financial statements shall have been delivered pursuant to Section 5.01 of this Agreement, the Test Period in effect shall be the period of the four consecutive fiscal quarters of the Borrower ended June 30, 2015. A Test Period may be designated by reference to the last day thereof (i.e. the September 30, 2012 Test Period refers to the period of four consecutive fiscal quarters of the Borrower ended September 30, 2012), and a Test Period shall be deemed to end on the last day thereof.

“Total Assets” means, as of any date of determination, the total assets of the Borrower and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP, as set forth on the most recent consolidated balance sheet of the Borrower as of such date (which calculation shall give pro forma effect to any acquisition or asset sale by the Borrower or any of its Restricted Subsidiaries, in each case involving the payment or receipt by the Borrower or any of its Restricted Subsidiaries of consideration (whether in the form of cash or non-cash consideration) in excess of \$100,000,000 that has occurred since the date of such consolidated balance sheet, as if such acquisition or Asset Sale had occurred on the last day of the fiscal period covered by such balance sheet).

“Total Percentage” means, with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

“Total Revolving Commitments” means, at any time, the aggregate principal amount of the Revolving Commitments then in effect.

“Total Revolving Exposure” means, at any time, the sum of the Total Revolving Loans and LC Exposure outstanding at such time.

“Total Revolving Loans” means, at any time, the aggregate principal amount of the Revolving Loans of the Revolving Lenders outstanding at such time.

“Transactions” means the execution, delivery and performance by the Borrower of this Agreement, the execution, delivery and performance by the Loan Parties of the other Loan Documents, the borrowing of Loans and the use of proceeds thereof.

“Type” means, as to any Loan, its nature as an ABR Loan or a Eurocurrency Loan.

“Unrestricted Subsidiary” means (a) any subsidiary of the Borrower listed on Schedule 1.01B, (b) any subsidiary of the Borrower that is designated as an Unrestricted Subsidiary by the Borrower after the Closing Date in a written notice to the Administrative Agent and (c) any subsidiary of any subsidiary described in clause (a) or (b) above; provided that (i) no Default shall have occurred and be continuing at the time of or after giving effect to the designation of a subsidiary as an Unrestricted Subsidiary (a “Designation”) and (ii) at the time of and immediately after giving effect to such Designation, the Borrower shall be in compliance with Section 6.10; provided, further, that no subsidiary shall be designated as an Unrestricted Subsidiary unless (w) no creditor of such subsidiary shall have any claim (whether pursuant to a Guarantee or otherwise) against the Borrower or any of its Restricted Subsidiaries in respect of any Indebtedness or other obligation (except for obligations arising by operation of law, including joint and several liability for taxes, ERISA and similar items) of such subsidiary (collectively, “Unrestricted Subsidiary Support Obligations”), except pursuant to Investments which are made in accordance with Section 6.11; (x) such subsidiary is not party to any transaction with the Borrower or any Restricted Subsidiary unless the terms of such transaction complies with Section 6.06; (y) no Investments may be made in any such subsidiary by the Borrower or any Restricted Subsidiary except to the extent permitted under Section 6.11 other than (in the case of Unrestricted Subsidiaries other than the Match Group) Section 6.11(e) (it being understood that, if a subsidiary is designated as an Unrestricted Subsidiary after the Closing Date, the aggregate Fair Market Value of all outstanding Investments owned by the Borrower and its Restricted Subsidiaries in the subsidiary so designated shall be deemed to be an Investment made as of the time of such designation and shall be subject to the limits set forth in Section 6.11 (other than (in the case of Unrestricted Subsidiaries other than the Match Group) Section 6.11(e))) and (z) in the case of a Designation of The Match Group, Inc. as an Unrestricted Subsidiary on the Separation Date, The Match Group, Inc. shall also, on the date of such Designation, be designated an “Unrestricted Subsidiary” in accordance with each of the indentures governing the Senior Notes, as applicable. It is understood that Unrestricted Subsidiaries shall be disregarded for the purposes of any calculation pursuant to this Agreement relating to financial matters with respect to the Borrower.

The Borrower may revoke the designation of a subsidiary as an Unrestricted Subsidiary pursuant to a written notice to the Administrative Agent so long as, after giving pro forma effect to such revocation, (i) the Consolidated Leverage Ratio shall be less than or equal to the Consolidated Leverage Ratio then required to be maintained by the Borrower pursuant to Section 6.10 and (ii) no Default shall be in existence (a “Revocation”). Upon any Revocation, such Unrestricted Subsidiary shall constitute a Restricted Subsidiary for all purposes of this Agreement and the Borrower shall comply with Section 5.09 if such subsidiary is a Material Domestic Subsidiary. In the case of any Revocation, if the designation of such subsidiary as an Unrestricted Subsidiary caused the available basket amount referred to in Section 6.11 (other than (in the case of Unrestricted Subsidiaries other than the Match Group) Section 6.11(e)) to be utilized by an amount equal to the aggregate Fair Market Value of all outstanding Investments owned by the Borrower and its Restricted Subsidiaries in the subsidiary so designated (the amount so utilized, the “Designation Amount”), then, effective upon such Revocation, such available basket amount shall be increased by the lesser of (i) the Designation Amount and (ii) the aggregate Fair Market Value of all outstanding Investments owned by the Borrower and its Restricted Subsidiaries in such subsidiary at the time of such Revocation.

“Unrestricted Subsidiary Support Obligations” has the meaning assigned to such term in the definition of “Unrestricted Subsidiary.”

“U.S. Lender” means any Lender that is a United States person within the meaning of Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in Section 2.14(e)(ii)(B)(3).

“Voting Stock” means the stock of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the Board of Directors of the Borrower (irrespective of whether or not at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

“Weighted Average Life to Maturity” when applied to any Indebtedness at any date, means the number of years obtained by dividing (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal, including payment at final maturity, in respect thereof by (ii) the number of years (calculated to the nearest one-twelfth) that shall elapse between such date and the making of such payment by (b) the then outstanding principal amount of such Indebtedness.

“Wholly Owned Subsidiary” means a subsidiary of which 100% of the Equity Interests (except for directors’ qualifying shares or certain minority interests owned by other Persons solely due to local law requirements that there be more than one stockholder, but which interest is not in excess of what is required for such purpose) are owned directly by the Borrower or through one or more Wholly Owned Subsidiaries and, solely for the purpose of the definition of “Material Domestic Subsidiary,” excluding any subsidiary whose sole assets are Equity Interests in one or more subsidiaries that are not Wholly Owned Subsidiaries.

“Withdrawal Liability” means 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.

“Yen” and “¥” mean the lawful currency of Japan.

SECTION 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Revolving Loan”) or by Type (e.g., a “Eurocurrency Loan”) or by Class and Type (e.g., a “Eurocurrency Revolving Loan”). Borrowings also may be classified and referred to by Class (e.g., a “Revolving Borrowing”) or by Type (e.g., a “Eurocurrency Borrowing”) or by Class and Type (e.g., a “Eurocurrency Revolving Borrowing”).

SECTION 1.03 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.” 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, restated, amended and restated, extended 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, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules 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. The foregoing standards shall also apply to the other Loan Documents.

SECTION 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that for purposes of any determinations associated with leases, including, without limitation, determinations of whether such leases are capital leases, whether obligations under such leases are Capital Lease Obligations, the amount of any Capital Lease Obligations associated with such leases, and the amount of operating expenses associated with such leases, Consolidated EBITDA, Indebtedness and the Consolidated Leverage Ratio shall be determined based on generally accepted accounting principles in the United States of America in effect on the Closing Date; provided, further, that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

SECTION 1.05 Change of Currency. Each provision of this Agreement also shall be subject to such reasonable changes of construction as the Administrative Agent may from time to time specify after consultation with the Borrower to be appropriate to the extent necessary to reflect a change in currency of any country and any relevant market conventions or practices relating to such change in currency.

SECTION 1.06 Currency Equivalents Generally.

(a) Unless the context otherwise requires, any amount specified in this Agreement to be in Dollars shall also include the Dollar Amount of any Alternative Currency. The maximum amount of Indebtedness and other threshold amounts that the Borrower and its Restricted Subsidiaries may incur under Article VI shall not be deemed to be exceeded, with respect to any outstanding Indebtedness and other threshold amounts solely as a result of fluctuations in the exchange rate of currencies. When calculating capacity for the incurrence of additional Indebtedness and other threshold amounts by the Borrower and any Restricted Subsidiary, the exchange rate of currencies shall be measured as of the date of such calculation.

(b) (i). The Administrative Agent shall determine the Dollar Amount of any Letter of Credit denominated in an Alternative Currency as of the date of the issuance thereof and on the first Business Day of each calendar month on which such Letter of Credit is outstanding, in each case using the Exchange Rate in effect on the date of determination, and each such amount shall be the Dollar Amount of such Letter of Credit until the next required calculation thereof pursuant to this Section. The Administrative Agent shall in addition determine the Dollar Amount of any Letter of Credit denominated in an Alternative Currency as provided in Sections 2.17(e) and 2.17(l).

(ii). The Administrative Agent shall determine the Dollar Amount of any Borrowing denominated in an Alternative Currency on or about the date of the commencement of the initial Interest Period therefor and as of the date of the commencement of each subsequent Interest Period therefor, in each case using the Exchange Rate in effect on the date of determination, and each such amount shall, except as provided in the next sentence, be the Dollar Amount of such Borrowing until the next required calculation thereof pursuant to this Section.

(iii). The Administrative Agent may also determine the Dollar Amount of any Borrowing or Letters of Credit denominated in an Alternative Currency as of such other dates as the Administrative Agent shall determine, in each case using the Exchange Rate in effect on the date of determination, and each such amount shall be the Dollar Amount of such Borrowing or Letter of Credit until the next calculation thereof pursuant to this Section.

(iv). The Administrative Agent shall notify the Borrower, the applicable Lenders and the Issuing Bank of each determination of the Dollar Amount of each Letter of Credit, Borrowing and LC Disbursement.

SECTION 1.07 Effect of this Agreement on the Original Credit Agreement and the Other Existing Loan Documents. Upon satisfaction of the conditions set forth in Section 4.03, this Agreement shall become effective and binding on the Borrower, the Lenders and the other parties hereto and the provisions of the Original Credit Agreement shall be replaced by the provisions of this Agreement; provided that (a) the Obligations (as defined in the Original Credit Agreement) of the Borrower and the other Loan Parties under the Original Credit Agreement that remain unpaid and outstanding as of and after giving effect to the Amendment Effective Date shall continue to exist under and be evidenced by this Agreement and the other Loan Documents, (b) all Loans and Letters of Credit under and as defined in the Original Credit Agreement shall continue as Loans and Letters of Credit under this Agreement, (c) subject to Section 9.16, the Collateral and the Loan Documents shall continue to secure, guarantee, support and otherwise benefit the Obligations of the Borrower and the other Loan Parties under this Agreement and the other Loan Documents on the same terms as prior to the effectiveness hereof and (d) any Person entitled to the benefits of Section 2.12, 2.13, 2.14 or 9.04 of the Original Credit Agreement shall continue to be entitled to the benefits of the corresponding provisions of this Agreement. Each Loan Document that was in effect immediately prior to the Amendment Effective Date (other than the Original Credit Agreement) shall continue to be effective and, unless the context otherwise requires, any reference to the Original Credit Agreement contained therein shall be deemed to refer to this Agreement. From and after the Amendment Effective Date, solely for purposes of FATCA, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Borrower and the Administrative Agent to treat) this Agreement and any Loans made hereunder (including any Loans already outstanding) as not qualifying as “grandfathered obligations” within the meaning of Treasury Regulation section 1.1471-2(b)(2)(i).

ARTICLE II

The Credits

SECTION 2.01 Revolving Commitments.

(a) Subject to the terms and conditions hereof, from time to time during the Revolving Commitment Period, each Revolving Lender severally agrees to make to the Borrower revolving credit loans denominated in Dollars or an Alternative Currency (“Revolving Loans”) in an aggregate principal amount that will not result at the time of such Borrowing in (A) the Dollar Amount of such Lender’s Outstanding Revolving Credit under the Revolving Commitments exceeding such Lender’s Revolving Commitment or (B) the Dollar Amount of Revolving Loans in Alternative Currencies exceeding the Alternative Currency Revolving Sublimit. During the Revolving Commitment Period the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurocurrency Loans or, in the case of Revolving Loans in Dollars, ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.03 and 2.05.

(b) Each Revolving Loan under the Revolving Commitments shall be made as part of a Borrowing consisting of Revolving Loans made by the Revolving Lenders thereunder ratably in accordance with their respective Revolving Commitments. The failure of any Revolving Lender to make any Revolving Loan required to be made by it shall not relieve any other Revolving Lender of its obligations hereunder; provided that the Revolving Commitments of the Revolving Lenders are several and no Revolving Lender shall be responsible for any other Revolving Lender’s failure to make Revolving Loans as required.

(c) At the commencement of each Interest Period for any Eurocurrency Revolving Borrowing, such Borrowing shall be in an aggregate principal amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 (or comparable amounts determined by the Administrative Agent in the case of Alternative Currency). At the time that each ABR Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000; provided that an ABR Revolving Borrowing may be in an aggregate principal amount that is equal to the entire unused balance of the Total Revolving Commitments. Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of 15 Eurocurrency Revolving Borrowings outstanding.

SECTION 2.02 Incremental Revolving Commitments.

(a) The Borrower and one or more Lenders (including New Lenders reasonably acceptable to the Administrative Agent and the Issuing Bank) may from time to time agree that such Lenders shall incur Incremental Revolving Commitments by executing and delivering to the Administrative Agent an Incremental Revolving Commitment Activation Notice specifying (i) the amount of the Incremental Revolving Commitments and (ii) the applicable Incremental Revolving Commitment Closing Date. Notwithstanding the foregoing, (1) (A) the aggregate principal amount of Incremental Revolving Commitments shall not exceed \$100,000,000, (B) no Incremental Revolving Commitments may be incurred if a Default would be in existence immediately before or after giving pro forma effect thereto and to any concurrent transactions and any substantially concurrent use of the proceeds thereof, and (C) after giving pro forma effect thereto and to any concurrent transactions, the Consolidated Leverage Ratio shall be less than or equal to the Consolidated Leverage Ratio then required to be maintained by the Borrower pursuant to Section 6.10, and (2) unless otherwise agreed by the Administrative Agent, (A) each increase effected pursuant to this paragraph shall be in a minimum amount of at least \$25,000,000 and (B) no more than four Incremental Revolving Commitment Activation Notices may be delivered by the Borrower after the Closing Date. No existing Lender shall have any obligation to incur any Incremental Revolving Commitments unless it agrees to do so in its sole discretion.

(b) Any Incremental Revolving Commitment shall be on the same terms, pursuant to the same documentation, and treated the same as the existing Revolving Facility and shall be considered to be part of the Revolving Facility.

(c) Any additional bank, financial institution or other Person that elects to become a new Lender under this Agreement in connection with any transaction described in Section 2.02(a) shall execute a New Lender Supplement (each, a "New Lender Supplement"), substantially in the form of Exhibit F-1, whereupon such bank, financial institution or other Person (a "New Lender") shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement and the other Loan Documents.

(d) Upon each increase in the establishment of any Incremental Revolving Commitments pursuant to this Section 2.02, each Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each Lender providing a portion of the Incremental Revolving Commitments (each an "Incremental Revolving Lender") in respect of such increase, and each such Incremental Revolving Lender will automatically and without further act be deemed to have assumed, a portion of such Lender's participations hereunder in outstanding Letters of Credit such that, after giving effect to each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding participations hereunder in Letters of Credit held by each Lender (including each such Incremental Revolving Lender) will equal such Lender's Revolving Commitment Percentage and if, on the date of such increase, there are any Revolving Loans outstanding, such Revolving Loans shall on or prior to the effectiveness of such Incremental Revolving Commitments either be prepaid from the proceeds of additional Revolving Loans made hereunder or assigned to an Incremental Revolving Lender (in each case, reflecting such Incremental Revolving Commitments, such that Revolving Loans are held ratably in accordance with each Lender's pro rata share, after giving effect to such increase), which prepayment or assignment shall be accompanied by accrued interest on the Revolving Loans being prepaid. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence. If there is a new Revolving Borrowing on such Incremental Revolving Commitment Closing Date, the Revolving Lenders after giving effect to such Incremental Revolving Commitments shall make such Revolving Loans in accordance with Section 2.01.

SECTION 2.03 Procedure for Revolving Loan Borrowing.

(a) To request a Revolving Borrowing on any Business Day, the Borrower shall notify the Administrative Agent of such request (x) in the case of ABR Loans, by telephone (which notice must be received by the Administrative Agent prior to 12:00 noon, New York City time on the requested Borrowing Date) or (y) in the

case of Eurocurrency Loans, in writing (which notice must be received by the Administrative Agent prior to 12:00 noon, New York City time not less than (A) three Business Days prior to the requested Borrowing Date for Dollar Revolving Borrowing requests and (B) four Business Days prior to the requested Borrowing Date for Alternative Currency Revolving Borrowing requests). Any telephonic borrowing request shall be irrevocable and shall be confirmed promptly in writing. Each such telephonic and written borrowing request shall specify the amount, currency and Type of Borrowing to be borrowed and the requested Borrowing Date. Upon receipt of such notice, the Administrative Agent shall promptly notify each relevant Revolving Lender thereof. For the avoidance of doubt, subject to Section 2.11, each Borrowing shall be comprised entirely of ABR Loans or Eurocurrency Loans as the Borrower may request in accordance herewith and all Revolving Loans made in Alternative Currencies shall be Eurocurrency Loans.

(b) If no election as to the Type of Revolving Borrowing is specified for a Revolving Borrowing in Dollars, then the requested Revolving Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurocurrency Revolving Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. If no currency is specified, the requested Borrowing shall be in Dollars. In making any determination of the Dollar Amount for purposes of calculating the amount of Revolving Loans to be borrowed from the respective Lenders on any date, the Administrative Agent shall use the relevant Exchange Rate in effect on the date on which the Borrower delivers a borrowing request for such Revolving Loans pursuant to the provisions of Section 2.03(a).

SECTION 2.04 Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds (x) in the case of any Loan denominated in Dollars, by 3:00 p.m. New York City time and (y) in the case of any Loan denominated in an Alternative Currency, by 12:00 noon local time in the place of settlement for such Alternative Currency, in each case to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City or to any other account as shall have been designated by the Borrower in writing to the Administrative Agent in the applicable borrowing request. Each Lender at its option may make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed time of any Borrowing 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 share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation in the relevant currency or (ii) in the case of the Borrower, the interest rate applicable to such Loans in the case of a Loan in Dollars or the applicable Eurocurrency Rate in the case of a Loan in an Alternative Currency. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

(c) The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and to make payments pursuant to Sections 8.09 and 9.04(c) are several and not joint. The failure of any Lender to make any Loan or to fund any such participation or to make any payment under Sections 8.09 or 9.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and, other than pursuant to Section 2.18, no Lender shall be responsible for the failure of any other Lender to so make its Loan or, to fund its participation or to make its payment under Sections 8.09 or 9.04(c).

SECTION 2.05 Interest Elections.

(a) Each Borrowing denominated in Dollars initially shall be of the Type specified in the applicable borrowing request, and each Eurocurrency Borrowing in Dollars or an Alternative Currency shall have an initial Interest Period as specified in such borrowing request. Thereafter, the Borrower may elect to convert any Borrowing denominated in Dollars to a different Type or to continue such Borrowing as the same Type and may elect successive Interest Periods for any Eurocurrency Borrowing in Dollars or an Alternative Currency, all as provided in this Section. The Borrower may elect different Types or Interest Periods, as applicable, with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the relevant Lenders holding the Loans comprising the relevant portion of 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 notify the Administrative Agent of such election by telephone by the time that a request for a Revolving Borrowing would be required under Section 2.03, if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly in writing.

(c) Each telephonic and written Interest Election Request shall specify (i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing), (ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day, (iii) in the case of a Borrowing denominated in Dollars, whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing, and (iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period." If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each relevant Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurocurrency Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be continued as such for an Interest Period of one month. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing in Dollars may be converted to or continued as a Eurocurrency Borrowing and (ii) unless repaid, each Eurocurrency Borrowing denominated in Dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto and (iii) each Eurocurrency Borrowing in an Alternative Currency shall be continued as such for an Interest Period of not more than one month.

SECTION 2.06 Termination and Reduction of Commitments. The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments; provided that no such termination or reduction of Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans made on the effective date thereof, the Outstanding Revolving Credits would exceed the Total Revolving Commitments. Any such reduction shall be in an amount equal to an integral multiple of \$1,000,000 and not less than \$5,000,000 and shall reduce permanently the Revolving Commitments then in effect.

SECTION 2.07 Repayment of Loans; Evidence of Debt.

(a) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall 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 pursuant to Section 9.05) 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).

(b) The Borrower unconditionally promises to pay the then unpaid principal amount of each Revolving Loan on the Revolving Termination Date.

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(d) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the currency and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the relevant Lenders and each relevant Lender's share thereof.

(e) The entries made in the accounts maintained pursuant to paragraph (c) or (d) of this Section shall be conclusive absent manifest error of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

SECTION 2.08 Prepayments.

(a) The Borrower may at any time and from time to time prepay Loans, in whole or in part, without premium or penalty, upon notice delivered to the Administrative Agent no later than 12:00 noon, New York City time (or in the case of an Alternative Currency, 11:00 a.m., London time), not less than three Business Days prior thereto, in the case of Eurocurrency Loans, no later than 12:00 noon, New York City time, on the date of such notice, in the case of ABR Loans, which notice shall specify the date and amount of prepayment and the Loans to be prepaid; provided that, if a Eurocurrency Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.13. Each such notice may be conditioned on the occurrence of one or more events (it being understood that the Administrative Agent and Lenders shall be entitled to assume that the Loans contemplated by such notice are to be made unless the Administrative Agent shall have received written notice revoking such notice of prepayment on or prior to the date of such prepayment). Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Loans that are ABR Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Revolving Loans shall be in an aggregate principal amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 (or comparable amounts determined by the Administrative Agent in the case of Alternative Currency).

(b) If at any time for any reason the sum of the Dollar Amount of Outstanding Revolving Credit exceeds the Total Revolving Commitments, the Borrower shall upon learning thereof, or upon the request of the Administrative Agent, immediately prepay the Revolving Loans in an aggregate principal amount at least equal to the amount of such excess; provided that solely with respect to any excess resulting from currency exchange rate fluctuations, this Section 2.08(b) shall not apply unless, on the last day of any fiscal quarter of the Borrower, the Dollar Amount of Outstanding Revolving Credit exceeds the Total Revolving Commitments by more than 2.5% as a result of such fluctuations.

SECTION 2.09 Fees.

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee in Dollars for the period from and including the Amendment Effective Date to the last day of the Revolving Commitment Period, computed at the applicable Commitment Fee Rate on the average daily Dollar Amount of the Available Revolving Commitment of such Lender during the period for which payment is made, payable quarterly in arrears on each Revolving Fee Payment Date, commencing on the first such date to occur after the Amendment Effective Date and no earlier than December 31, 2015.

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurocurrency Loans on the average daily Dollar Amount of such Revolving Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Amendment Effective Date to but excluding the later of the date on which such Revolving Lender's Revolving Commitment terminates and the date on which such Revolving Lender ceases to have any LC Exposure, and (ii) to the Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% per annum on the average daily Dollar Amount of the LC Exposure of the Letters of Credit issued by it (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Amendment Effective Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any such LC Exposure, as well as the fees agreed by the Issuing Bank and the Borrower with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees will be payable in Dollars quarterly in arrears on each Revolving Fee Payment Date, commencing on the first such date to occur after the Amendment Effective Date and no earlier than December 31, 2015; provided that any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 365/366 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in any fee agreements with the Administrative Agent and to perform any other obligations contained therein.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, in the case of commitment fees, to the Revolving Lenders. Fees paid shall not be refundable under any circumstances. All per annum fees shall be computed on the basis of a year of 365/366 days for actual days elapsed; provided that commitment fees shall be computed on the basis of a year of 360 days.

SECTION 2.10 Interest.

(a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurocurrency Borrowing in any currency shall bear interest at the Eurocurrency Rate for such currency for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section (in the case of such other amount in Dollars) or 2% plus the daily weighted average rate of all Loans in the relevant Alternative Currency (in the case of any such other amount in such Alternative Currency).

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in addition, in the case of Revolving Loans, upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Revolving Commitment Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that (i) (A) interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate and (B) interest computed by reference to the Australian Dollar Bank Bill Reference Rate and the CDOR Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and (ii) interest in respect of Borrowings in Sterling shall be computed on the basis of 365 days, and in each case of the foregoing clauses (i) and (ii) shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or Eurocurrency Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.11 Alternate Rate of Interest.

(a) If at the time that the Administrative Agent shall seek to determine the Reference Bank Rate less than two Reference Banks shall supply a rate to the Administrative Agent for purposes of determining the Eurocurrency Rate for such Eurocurrency Borrowing, then (a) the Borrower and the Administrative Agent may mutually agree in their reasonable discretion to appoint one or more additional Reference Banks (subject to consent by such Reference Bank(s)) for purposes of establishing the Reference Bank Rate that shall be the Eurocurrency Rate for such Interest Period for such Eurocurrency Borrowing, or (b) if no additional Reference Banks are so appointed or if additional Reference Banks are so appointed and less than two Reference Banks supply such a rate, then the Administrative Agent shall be deemed to have determined that adequate and reasonable means do not exist for ascertaining the Eurocurrency Rate for such Eurocurrency Borrowing and Section 2.11(b)(i) shall apply.

(b) If prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that adequate and reasonable means do not exist for ascertaining the Eurocurrency Rate for a Loan in the applicable currency or for the applicable Interest Period; or

(ii) the Administrative Agent is advised by the Required Lenders that the Eurocurrency Rate for a Loan in the applicable currency or for the applicable Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing in Dollars to, or continuation of any Borrowing in Dollars as, a Eurocurrency Borrowing shall be ineffective and the Loans shall be converted to an ABR Borrowing and (ii) if any borrowing request requests a Eurocurrency Borrowing, such Borrowing, if denominated in Dollars, shall be made as an ABR Borrowing, and if such borrowing request requests a Borrowing denominated in an Alternative Currency or if any Interest Election Request requests the continuation of a Eurocurrency Borrowing in an Alternative Currency, such Borrowing or continuation shall be made or continued as a Borrowing bearing interest at an interest rate reasonably determined by the Administrative Agent, after consultation with the Borrower and the applicable Lenders, to compensate the applicable Lenders for such Borrowing in such currency for the applicable period plus the Applicable Rate; provided that if the circumstances giving rise to such notice affect only Borrowings in one currency, then Borrowings in other currencies will not be affected by the provisions of this Section.

SECTION 2.12 Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (including any reserve for eurocurrency funding that may be established or reestablished under Regulation D of the Board);

(ii) impose on any Lender any Taxes other than (A) Indemnified Taxes or Other Taxes indemnified under Section 2.14 or (B) Excluded Taxes; or

(iii) impose on any Lender or the London interbank market any other condition affecting this Agreement or Eurocurrency Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, continuing, converting into or maintaining any Eurocurrency Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that 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 capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided, further, that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.13 Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan on the date specified in any notice delivered pursuant hereto or (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.16, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurocurrency Loan, such loss, cost or expense to any Lender shall be deemed to be an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Eurocurrency Rate that would have been applicable to such 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 Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the relevant currency of a comparable amount and period from other banks in the eurocurrency market (but not less than the available Eurocurrency rate quoted for the Eurocurrency interest period equal to the period from the date of such event to the last day of the then current Interest Period, or if there is no such Eurocurrency interest period, the lower of the Eurocurrency rates quoted for the closest Eurocurrency interest periods that are longer and shorter than such period). A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

SECTION 2.14 Taxes.

(a) All payments by or on account of any obligation of any Loan Party hereunder or under any other Loan Document shall be made free and clear of and without deduction for any Taxes unless required by applicable Requirements of Law; provided that if any applicable withholding agent shall be required by applicable Requirements of Law to deduct any Taxes in respect of any such payments, then (i) if such Tax is an Indemnified Tax or Other Tax, the sum payable shall be increased by the applicable Loan Party as necessary so that after all required deductions (including deductions applicable to additional sums payable under this Section 2.14) have been made the applicable Lender (or, in the case of a payment made to the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable withholding agent shall make such deductions and (iii) the applicable withholding agent shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Requirements of Law.

(b) In addition, without duplication of any obligation set forth in subsection (a), the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Requirements of Law.

(c) Without duplication of any obligation set forth in subsection (a), the Loan Parties shall indemnify the Administrative Agent and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of any Loan Party hereunder or under any other Loan Document and any Other Taxes paid by the Administrative Agent or such Lender (including Indemnified Taxes or Other Taxes imposed on asserted on or attributable to amounts payable under this Section 2.14) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other 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, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. If the Borrower determines that there is a reasonable basis to contest any Indemnified Tax or Other Tax for which it is responsible hereunder, without limiting Borrower's indemnification obligations hereunder, such Administrative Agent or Lender (as applicable) shall reasonably cooperate in pursuing such contest (at Borrower's expense) so long as pursuing such contest would not, in the sole reasonable determination of the Administrative Agent or Lender, result in any additional unreimbursed costs or expenses or be otherwise disadvantageous to the Administrative Agent or such Lender. This Section shall not be construed to require the Administrative Agent or Lender to make available its tax returns (or any other information relating to its Taxes which it deems confidential) to the Borrower or any other Person.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Loan Party to a Governmental Authority, the Borrower shall deliver to the Administrative Agent a copy, or if reasonably available to the Borrower 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.

(e) (i). Each Lender 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 Tax or at a reduced rate of withholding.

(ii). Without limiting the generality of the foregoing,

(A) any U.S. Lender 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), properly executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax;

(B) any Non-U.S. Lender shall, to the extent it is legally eligible to do so, deliver to the Borrower and the Administrative Agent 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 to establish such Non-U.S. Lender's entitlement to a reduced rate of, or exemption from, withholding:

(1) two properly executed originals of IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to an income tax treaty to which the United States is a party;

(2) two properly executed originals of IRS Form W-8ECI;

(3) (x) executed originals of a certificate substantially in the form of Exhibit G-1 to the effect that such Non-U.S. Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code, and that no payments to be received by such Lender will be effectively connected income (a "U.S. Tax Compliance Certificate") and (y) two properly executed originals of IRS Form W-8BEN or W-8BEN-E; or

(4) to the extent a Lender is not the beneficial owner (for example, where the Lender is a partnership, or has sold a participation), two properly executed originals of IRS Form W-8IMY, accompanied by properly executed IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-2 or Exhibit G-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Non-U.S. Lender is a partnership (and not a participating Lender), and one or more direct or indirect partners of such Non-U.S. Lender are claiming the portfolio interest exemption, such Non-U.S. Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit G-4 on behalf of such direct and indirect partner(s); and

(5) any Non-U.S. Lender shall, to the extent it is legally eligible 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 Non-U.S. 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 Requirements of 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 Requirements of Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made.

(iii). If a payment made to a Lender under this Agreement or the other Loan Documents 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 or 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 Requirements of 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 or the Administrative Agent to comply with its obligations under FATCA, to determine whether such Lender has or has not complied with such Lender's obligations under FATCA and, as necessary, to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this Section 2.14(e)(iii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iv). Each Lender agrees that if any documentation it previously delivered pursuant to this Section 2.14(e) expires or becomes obsolete or inaccurate in any respect, it shall update such documentation or promptly notify the Borrower and the Administrative Agent in writing of its legal ineligibility to do so.

(v). Each Lender hereby authorizes the Administrative Agent to deliver to the Loan Parties and to any successor Administrative Agent any documentation provided by such Lender to the Administrative Agent pursuant to this Section 2.14(e).

(f) If the Administrative Agent or a Lender determines, in its reasonable discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by a Loan Party or with respect to which the Loan Party has paid additional amounts pursuant to this Section 2.14, it shall pay over such refund to the Loan Party (but only to the extent of indemnity payments made, or additional amounts paid, by the Loan Party under this Section 2.14 with respect to the Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses (including any Taxes) of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that the Loan Party agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its Taxes which it deems confidential) to the Borrower or any other Person.

SECTION 2.15 Pro Rata Treatment and Payments.

(a) Each borrowing of Revolving Loans by the Borrower from the Revolving Lenders and any reduction of the Revolving Commitments of the Revolving Lenders shall be made pro rata according to the respective Revolving Commitments then held by the Revolving Lenders. Each payment by the Borrower on account of any commitment fee or any letter of credit fee shall be paid ratably to the Revolving Lenders entitled thereto.

(b) Each prepayment by the Borrower on account of principal of the Revolving Loans shall be made pro rata according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders. All repayments of principal of the Revolving Loans at stated maturity or upon acceleration shall be allocated pro rata according to the respective outstanding principal amounts of the matured or accelerated Revolving Loans then held by the relevant Revolving Lenders. All payments of interest in respect of the Revolving Loans shall be allocated pro rata according to the outstanding interest payable then owed to the relevant Revolving Lenders. Notwithstanding the foregoing, (A) any amount payable to a Defaulting Lender under this Agreement (whether on account of principal, interest, fees or otherwise but excluding any amount that would otherwise be payable to such Defaulting Lender pursuant to Section 2.16 and Section 9.05) shall, in lieu of being distributed to such Defaulting Lender, be retained by the Administrative Agent in a segregated interest-bearing account and, subject to any applicable Requirements of Law, be applied at such time or times as may be determined by the Administrative Agent: (1) first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent and the Issuing Bank hereunder (including amounts owed under Section 2.09(b) or 9.04(c)), (2) second, to the funding of any Revolving Loan or LC Disbursement required by this Agreement, as determined by the Administrative Agent, (3) third, if so determined by the Administrative Agent and Borrower, held in such account as cash collateral for future funding obligations of the Defaulting Lender under this Agreement, (4) fourth,

pro rata, to the payment of any amounts owing to the Borrower or the Lenders as a result of such Defaulting Lender's breach of its obligations under this Agreement and (5) fifth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction, and (B) if such payment is a prepayment of the principal amount of Revolving Loans, such payment shall be applied solely to prepay the Revolving Loans of all Non-Defaulting Lenders pro rata (based on the amounts owing to each) prior to being applied to the prepayment of any Revolving Loan of any Defaulting Lender.

(c) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 2:00 p.m., New York City time (or as specified in the next sentence in the case of Loans in an Alternative Currency), on the date when due. Except as otherwise expressly provided herein, all payments by the Borrower hereunder with respect to principal and interest on Loans in an Alternative Currency shall be made on the dates specified herein for the pro rata account of the relevant Lenders to which such payment is owed, in such Alternative Currency and in immediately available funds not later than the Applicable Time specified by the Administrative Agent to the Borrower by the same time at least one Business Day prior to the date when due. All payments received by the Administrative Agent (i) after 2:00 p.m., New York City time, in the case of payments in Dollars, or (ii) after the Applicable Time specified by the Administrative Agent in the case of payments in an Alternative Currency, 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 and fees thereon. All such payments shall be made to the Administrative Agent at its offices at 500 Stanton Christiana Road, Ops Building 2, 3rd Floor, Newark, Delaware 19713-2107 except that payments pursuant to Sections 2.12, 2.13, 2.14 and 9.04 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute such payments to the relevant Lenders promptly upon receipt in like funds as received. If any payment hereunder becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. In the case of any extension of any payment of principal, interest thereon shall be payable at the then applicable rate during such extension.

(d) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (subject to the rights of the Administrative Agent to hold and apply amounts to be paid to a Defaulting Lender in accordance with Section 2.15(b)) (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties. To the extent necessary, the Administrative Agent shall enter into foreign currency exchange transactions on customary terms to effect any such ratable payment and the payments made by the Administrative Agent following such transactions shall be deemed to be payments made by or on behalf of the Borrower hereunder.

(e) 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 resulting in such Lender receiving payment of a greater proportion of the aggregate principal amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements 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 Loans and participations in LC Disbursements; 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 paragraph shall not be construed to apply to any payment made by the Borrower or any other Loan Party pursuant to and in accordance with the express terms of this Agreement and the other Loan Documents or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant.

SECTION 2.16 Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.12, 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 2.14, 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 judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.12 or 2.14, 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 reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment. Each Lender may designate a different lending office for funding or booking its Loans hereunder or assign its rights and obligations hereunder to another of its offices, branches or affiliates; provided that the exercise of this option shall not affect the obligations of the Borrower to repay the Loan in accordance with the terms of this Agreement.

(b) If any Lender requests compensation under Section 2.12, 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 2.14, or if any Lender is a Defaulting Lender, 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 contained in Section 9.05), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and if a Revolving Commitment is being assigned, the Issuing Bank), which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in unreimbursed LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.12 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments. 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.

(c) If any Lender (such Lender, a “Non-Consenting Lender”) has failed to consent to a proposed amendment, waiver, discharge or termination which pursuant to the terms of Section 9.02 requires the consent of all of the Lenders affected and with respect to which the Required Lenders shall have granted their consent, then the Borrower shall have the right (unless such Non-Consenting Lender grants such consent) to replace such Non-Consenting Lender by requiring such Non-Consenting Lender to assign its Loans, and its Revolving Commitments hereunder to one or more assignees reasonably acceptable to the Administrative Agent, provided that: (a) all amounts owing to such Non-Consenting Lender being replaced (other than principal and interest) shall be paid in full to such Non-Consenting Lender concurrently with such assignment, and (b) the replacement Lender (each such Lender, a “Replacement Lender”) shall purchase the foregoing by paying to such Non-Consenting Lender a price equal to the principal amount thereof plus accrued and unpaid interest thereon. In connection with any such assignment the Borrower, Administrative Agent, such Non-Consenting Lender and the Replacement Lender shall otherwise comply with Section 9.05.

(d) Notwithstanding anything herein to the contrary, each party hereto agrees that any assignment pursuant to the terms of Section 2.16(c) may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Lender making such assignment need not be a party thereto.

SECTION 2.17 Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request that standby letters of credit denominated in Dollars or an Alternative Currency be issued under this Agreement for its

own account or the account of any Restricted Subsidiary, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Revolving Commitment Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension, but in any event no later than two Business Days prior to such date unless otherwise agreed by the Issuing Bank and the Administrative Agent) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount and currency 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. If requested by the Issuing Bank, the Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if, after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed \$25,000,000, (ii) the Dollar Amount of the total Outstanding Revolving Credits shall not exceed the Total Revolving Commitments and (iii) with respect to such Issuing Bank, the sum of the aggregate face amount of Letters of Credit issued by such Issuing Bank, when aggregated with the outstanding Revolving Loans funded by such Issuing Bank, shall not exceed its Revolving Commitment.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Revolving Termination Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank or the Revolving Lenders, the Issuing Bank hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Revolving Lender's Revolving Commitment Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Revolving Lender's Revolving Commitment Percentage of each LC Disbursement made by the Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Such payment by the Lenders shall be made (i) if the currency of the applicable LC Disbursement or reimbursement payment shall be Dollars, then in the currency of such LC Disbursement and (ii) subject to clause (l) of this Section, if the currency of the applicable LC Disbursement or reimbursement payment shall be an Alternative Currency, in Dollars in an amount equal to the Dollar Amount of such LC Disbursement or reimbursement payment, calculated by the Administrative Agent using the Exchange Rate on the applicable LC Participation Calculation Date. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent in the currency of such LC Disbursement an amount equal to such LC Disbursement not later than 12:00 noon, New York City time,

on the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on such date, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 12:00 noon, New York City time, on the Business Day immediately following the day that the Borrower receives such notice; provided that if such LC Disbursement is denominated in Dollars and is not less than \$1,000,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with an ABR Revolving Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing. If the Borrower fails to make such payment when due, (A) if such payment relates to a Letter of Credit denominated in an Alternative Currency, automatically and no further action required, the obligations of the Borrower to reimburse the applicable LC Disbursement shall be permanently converted into an obligation to reimburse the Dollar Amount, calculated using the Exchange Rate on the applicable LC Participation Calculation Date, of such LC Disbursement and (B) in the case of each LC Disbursement, the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Revolving Lender's Revolving Commitment Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Revolving Commitment Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.04 with respect to Loans made by such Revolving Lender (and Section 2.04 shall apply, mutatis mutandis, to such payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Revolving Lenders and the Issuing Bank as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of ABR Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement. If the Borrower's reimbursement of, or obligation to reimburse, any amounts in any Alternative Currency would subject the Administrative Agent, the Issuing Bank or any Revolving Lender to any stamp duty, ad valorem charge or similar Tax that would not be payable if such reimbursement were made or required to be made in Dollars, such Revolving Borrower shall pay the amount of any such Tax requested by the Administrative Agent, the Issuing Bank or such Revolving Lender.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) 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, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) 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 setoff against, the Borrower's obligations hereunder; provided that, subject to the penultimate sentence of this clause (f), reimbursement obligations of the Borrower with respect to a Letter of Credit may be subject to avoidance by the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower or any Restricted Subsidiary that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. Neither the Administrative Agent, the Revolving Lenders nor the Issuing Bank, nor any of their Related Parties, 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 in the preceding sentence), 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 direct damages (as opposed to consequential 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 care when determining whether drafts and 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, bad faith 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 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 which 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.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by teletype) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date set forth in paragraph (e) of this Section 2.17, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is required to be reimbursed to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum set forth in Section 2.10(c)(ii). Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Bank shall be for the account of such Revolving Lender to the extent of such payment.

(i) Replacement of the Issuing Bank. The Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Revolving Lenders of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.09(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to include such successor and any previous Issuing Bank, or such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Additional Issuing Banks. From time to time, the Borrower may by notice to the Administrative Agent designate any Lender (in addition to the initial Issuing Bank) which agrees (in its sole discretion) to act in such capacity and is reasonably satisfactory to the Administrative Agent as an Issuing Bank. Each such additional Issuing Bank shall execute a counterpart of this Agreement upon the approval of the Administrative Agent (which approval shall not be unreasonably withheld) and shall thereafter be an Issuing Bank hereunder for all purposes.

(k) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or Revolving Lenders with LC Exposure representing greater than 50% of the total LC Exposure demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders, an amount in Dollars equal to 102% of the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that (i) amount payable in respect of any Letter of Credit or LC Disbursement shall be payable in the currency of such Letter of Credit or LC

Disbursement, except that LC Disbursements in an Alternative Currency in respect of which the Borrower's reimbursement obligations have been converted in Dollars as provided in paragraph (e) or (l) of this Section and interest accrued thereon shall be payable in Dollars, and (ii) the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Article VII. 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 with respect to the Revolving Facility. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. 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 or 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 has 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 (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other obligations of the Borrower under this Agreement with respect to the Revolving Facility. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived.

(l) Conversion. In the event that the Loans become immediately due and payable on any date pursuant to Section 7.01, all amounts (i) that the Borrower are at the time or become thereafter required to reimburse or otherwise pay to the Administrative Agent in respect of LC Disbursements made under any Letter of Credit denominated in an Alternative Currency, (ii) that the Revolving Lenders are at the time or become thereafter required to pay to the Administrative Agent (and the Administrative Agent is at the time or becomes thereafter required to distribute to the Issuing Bank) pursuant to paragraph (e) of this Section in respect of unreimbursed LC Disbursements made under any Letter of Credit denominated in an Alternative Currency and (iii) of each Revolving Lender's participation in any Letter of Credit denominated in an Alternative Currency under which an LC Disbursement has been made shall, automatically and with no further action required, be converted into the Dollar Amount, calculated using the Exchange Rate on such date (or in the case of any LC Disbursement made after such date, on the date such LC Disbursement is made), of such amounts. On and after such conversion, all amounts accruing and owed to the Administrative Agent, the Issuing Bank or any Revolving Lender in respect of the obligations described in this paragraph shall accrue and be payable in Dollars at the rates otherwise applicable hereunder.

SECTION 2.18 Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) Fees shall cease to accrue on the Available Revolving Commitment of such Defaulting Lender pursuant to Section 2.09(a).

(b) The Revolving Commitment and Outstanding Revolving Credit of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02 or Section 9.03); provided that this Section 2.18(b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification effecting (i) an increase or extension of such Defaulting Lender's Revolving Commitment or (ii) the reduction or excuse of principal amount of, or interest or fees payable on, such Defaulting Lender's Loans or the postponement of the scheduled date of payment of such principal amount, interest or fees to such Defaulting Lender.

(c) If any Letters of Credit exist at the time such Lender becomes a Defaulting Lender then:

(i) Such Defaulting Lender's LC Exposure shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Revolving Commitment Percentages (but excluding the Revolving Commitments of all the Defaulting Lenders from both the numerator and the denominator) but only to the extent (x) the sum of all the Outstanding Revolving Credits owed to all Non-Defaulting Lenders does not exceed the total of all Non-Defaulting Lenders' Available Revolving Commitments, (y) the representations and warranties of each Loan Party set forth in the Loan Documents to which it is a party are true and correct at such time, except to the extent that any such representation and warranty relates to an earlier date (in which case such representation and warranty shall be true and correct as of such earlier date), and (z) no Default shall have occurred and be continuing at such time;

(ii) If the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall, within two Business Days following notice by the Administrative Agent, cash collateralize for the benefit of the Issuing Bank such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) for so long as any Letters of Credit are outstanding;

(iii) If the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.09(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized by the Borrower;

(iv) If LC Exposures of the Non-Defaulting Lenders are reallocated pursuant to clause (i) above, then the fees payable to the Revolving Lenders pursuant to Section 2.09(a) and Section 2.09(b) shall be adjusted to reflect such Non-Defaulting Lenders' LC Exposure as reallocated; and

(v) If any Defaulting Lender's LC Exposure is neither cash collateralized nor reallocated pursuant to clauses (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Bank or any Revolving Lender hereunder, all letter of credit fees payable under Section 2.09(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until such LC Exposure is cash collateralized and/or reallocated.

(d) So long as such Defaulting Lender is a Defaulting Lender the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related LC Exposure will be 100% covered by the Available Revolving Commitments of the Non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.18(c)(ii), and the participating interests in any such newly issued or increased Letter of Credit shall be allocated among Non-Defaulting Lenders in a manner consistent with Section 2.18(c)(i) (and such Defaulting Lender shall not participate therein).

The rights and remedies against a Defaulting Lender under this Agreement are in addition to other rights and remedies that Borrower may have against such Defaulting Lender with respect to any funding default and that the Administrative Agent or any Lender may have against such Defaulting Lender with respect to any funding default. In the event that the Administrative Agent, the Borrower and the Issuing Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Total Revolving Exposure shall be readjusted to reflect the inclusion of such Lender's Available Revolving Commitment and on such date such Lender shall purchase at par such of the Revolving Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause such outstanding Revolving Loans and funded and unfunded participations in Letters of Credit to be held on a pro rata basis by the Revolving Lenders (including such Lender) in accordance with their applicable percentages, whereupon such Lender will cease to be a Defaulting Lender and will be a Non-Defaulting Lender and any applicable cash collateral shall be promptly returned to the Borrower and any LC Exposure of such Lender reallocated pursuant to the requirements above shall

be reallocated back to such 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; provided that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Non-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.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders that:

SECTION 3.01 Organization; Powers. Each of the Borrower and its Material Subsidiaries is duly organized, validly existing and, if applicable, in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except, in each case, where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.02 Authorization; Enforceability. The Transactions (excluding use of proceeds) are within the corporate or other organizational powers of the Loan Parties and have been duly authorized by all necessary corporate or other organizational action. This Agreement has been and each other Loan Document will be duly executed and delivered by each Loan Party party thereto. This Agreement constitutes, and each other Loan Document when executed and delivered will constitute a legal, valid and binding obligation of each Loan Party party thereto, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights or remedies generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03 Governmental Approvals; No Conflicts. The Transactions (excluding use of proceeds) (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except (i) such as have been obtained or made and are in full force and effect or those which the failure to obtain would not be reasonably expected to result in a Material Adverse Effect and (ii) the filings referred to in Section 3.12, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of the Borrower or any other Loan Party or any order of any Governmental Authority except where any such violation would not reasonably expected to result in a Material Adverse Effect, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon the Borrower or any other Loan Party or its assets except as would not reasonably expected to result in a Material Adverse Effect, and (d) will not result in the creation or imposition of any Lien on any asset of the Borrower or any of its Material Subsidiaries (other than any Permitted Lien).

SECTION 3.04 Financial Position. The Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders' equity and cash flows as of and for (a) the fiscal years ended December 31, 2014 and 2013 reported on by Ernst & Young LLP, independent public accountants and (b) the six months ended June 30, 2015. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (b) above.

SECTION 3.05 Properties.

(a) Each of the Borrower and its Material Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title and Permitted Liens that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes or as, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) Each of the Borrower and its Material Subsidiaries owns, or is validity licensed to use, all Intellectual Property used or held for use by such entities or necessary to operate their respective business as currently conducted and contemplated to be conducted, and the operation of their respective businesses by the Borrower and its Material Subsidiaries does not infringe upon or otherwise violate the rights of any other Person, except for any such Intellectual Property or infringements or violations that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06 Litigation and Environmental Matters.

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened in writing against or affecting the Borrower or any of its Restricted Subsidiaries (i) that would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (other than the Disclosed Matters) or (ii) on the Amendment Effective Date, that involve this Agreement or the Transactions (excluding use of proceeds).

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any of its Restricted 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 written notice of any claim with respect to any Environmental Liability or (iv) knows of any basis reasonably likely to result in Environmental Liability.

SECTION 3.07 Compliance with Laws and Agreements. Each of the Borrower and its Material Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.08 Investment Company Status. No Loan Party is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940. No part of the proceeds of any Loan will be used, whether directly or indirectly, for any purpose that entails a violation of any of the Regulations of the Board, including Regulations T, U and X.

SECTION 3.09 Taxes. Each of the Borrower and its Material Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Borrower or such Material Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP or (b) to the extent that the failure to do so would not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect.

SECTION 3.10 ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan by an amount which, if it were to become due, would cause a Material Adverse Effect.

SECTION 3.11 Disclosure. To the best of the Borrower’s knowledge, neither the Lender Presentation nor any of the other reports, financial statements, certificates or other written information furnished by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished), taken as a whole, contained any material misstatement of fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading as of the date furnished; provided that

with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 3.12 Pledge Agreement. The Pledge Agreement has created and will create (to the extent required thereby and except during the Collateral Suspension Period) in favor of the Collateral Agent, for the benefit of the Lenders, a security interest in the Collateral described therein (subject to any limitations specified therein). In the case of the certificated pledged stock constituting securities described in Section 5.09(a), as of the Amendment Effective Date, when stock certificates representing such pledged stock are delivered to the Collateral Agent or if previously delivered continue to be controlled by the Collateral Agent, as the case may be (together with a properly completed and signed stock power or endorsement), and in the case of the other Collateral described in the Pledge Agreement, as of the Amendment Effective Date, as a result of the filing of financing statements specified on Schedule 3.12 in appropriate form in the offices specified on Schedule 3.12, the Collateral Agent shall have or shall continue to have a perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral (subject to any limitations specified therein) to the extent perfection of such security interest can be perfected by control of securities or the filing of a financing statement, as applicable, as security for the Obligations, in each case prior and superior in right to any other Person (except Permitted Liens).

SECTION 3.13 No Change. Since December 31, 2014, there has been no event that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 3.14 Subsidiaries. Set forth on Schedule 3.14 is a list of all Subsidiary Guarantors on the Amendment Effective Date, together with the jurisdiction of organization, and ownership and ownership percentages of Equity Interests held by each such Subsidiary Guarantor in each direct subsidiary of such Subsidiary Guarantor as of the Amendment Effective Date.

SECTION 3.15 Solvency. Immediately after the consummation of the Transactions to occur on the Amendment Effective Date, including the making of each Loan to be made or continued on the Amendment Effective Date and the application of the proceeds of such Loans, and after giving effect to the rights of subrogation and contribution under the Subsidiary Guarantee, (a) the fair value of the assets of the Borrower and its subsidiaries on a consolidated basis will exceed their debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the assets of the Borrower and its subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability on their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) the Borrower and its subsidiaries on a consolidated basis will be able to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured and (d) the Borrower and its subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the business in which they are engaged, as such business is now conducted and is proposed to be conducted following the Amendment Effective Date.

SECTION 3.16 No Default. No Default or Event of Default has occurred and is continuing.

SECTION 3.17 Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its subsidiaries and their respective directors, officers and employees with Anti-Corruption Laws and applicable Sanctions, and the Borrower and its subsidiaries and to their knowledge their respective officers, directors and employees are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects. None of (a) the Borrower or any subsidiary or (b) to the knowledge of the Borrower, any director, officer or employee of the Borrower or any subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No proceeds of the Loans and no Letter of Credit shall be used by the Borrower in violation of any Anti-Corruption Law or applicable Sanctions. No representation is made under this Section 3.17 with respect to any of the end-user individuals of the internet services.

ARTICLE IV

Conditions

SECTION 4.01 Closing Date. The obligations of the Lenders to make the initial Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received (including by telecopy or email transmission) from each Loan Party party to the relevant Loan Document, a counterpart of such Loan Document signed on behalf of such Loan Party.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders as of the Closing Date and dated the Closing Date) of (i) Wachtell, Lipton, Rosen & Katz, counsel for the Borrower and certain of the Loan Parties and (ii) local counsel in each jurisdiction in which a Loan Party is organized and the laws of which are not covered by the opinion referred to in (i) above, in each case in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Loan Parties (other than the Loan Party identified on Schedule 3.01), the authorization of the Transactions (excluding use of proceeds) and any other legal matters relating to the Loan Parties, this Agreement or the Transactions (excluding use of proceeds), including a certificate of each Loan Party substantially in the form of Exhibit E, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(d) The Administrative Agent shall have received a certificate, dated the Closing Date and signed by the Chief Executive Officer, a Vice President, a Financial Officer of the Borrower or any other executive officer of the Borrower who has specific knowledge of the Borrower's financial matters and is satisfactory to the Administrative Agent, confirming that (a) the representations and warranties of each Loan Party set forth in the Loan Documents are true and correct as of the Closing Date and (b) as of the Closing Date, no Default has occurred and is continuing.

(e) There shall have been delivered to the Administrative Agent an executed Perfection Certificate.

(f) The Administrative Agent shall have received a solvency certificate in the form of Exhibit I, dated the Closing Date and signed by the chief financial officer of the Borrower.

(g) The Administrative Agent, the Lead Arrangers and the Lenders shall have received all fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses (including fees of legal counsel to the Administrative Agent, the Lead Arrangers and the Lenders) required to be reimbursed or paid by the Borrower hereunder.

(h) Since December 31, 2011, there shall have been no event that has had or would reasonably be expected to have a Material Adverse Effect.

(i) The Administrative Agent shall have received the results of a recent Lien search with respect to each Loan Party, and such search shall reveal no Liens on any of the assets of the Loan Parties except for Liens permitted by Section 6.02 or discharged on or prior to the Closing Date pursuant to documentation satisfactory to the Administrative Agent.

(j) The Collateral Agent shall have received the certificates representing the certificated Equity Interests pledged pursuant to the Pledge Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof.

(k) Each Uniform Commercial Code financing statement or other filing required by the Pledge Agreement shall be in proper form for filing.

(l) Each Loan Party shall have provided the documentation and other information requested by the Lenders that is required by regulatory authorities under applicable "know your customer" and anti-money-laundering rules and regulations, including without limitation, the Act, in each case as requested at least three Business Days prior to the Closing Date.

(m) The Administrative Agent shall have received an executed promissory note payable to the order of each Lender that requested such promissory note at least one Business Day prior to the Closing Date (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent.

The Administrative Agent shall notify the Borrower and the Lenders of the Closing Date, and such notice shall be conclusive and binding.

SECTION 4.02 Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing (other than a continuation or conversion of an existing Borrowing) and the obligation of the Issuing Bank to issue any Letter of Credit is subject to the satisfaction of the following conditions:

(a) The representations and warranties of each Loan Party set forth in this Agreement shall be true and correct in all material respects (except to the extent that any such representation and warranty is qualified by materiality or Material Adverse Effect, in which case such representation and warranty shall be true and correct in all respects) on and as of the date of such Borrowing, except to the extent that any such representation and warranty relates to an earlier date (in which case such representation and warranty shall have been true and correct in all material respects (except to the extent that any such representation and warranty is qualified by materiality or Material Adverse Effect, in which case such representation and warranty shall be true and correct in all respects) as of such earlier date).

(b) At the time of and immediately after giving effect to such Borrowing, no Default or Event of Default shall have occurred and be continuing.

(c) The Administrative Agent or Issuing Bank shall have received a borrowing notice in accordance with Section 2.03 or a Letter of Credit request in accordance with Section 2.17(b), as applicable.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower or other applicable Loan Party on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.03 Amendment Effective Date. The obligations of the Lenders to make the Loans hereunder on or after the Amendment Effective Date shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received (including by telecopy or email transmission) (i) a counterpart of this Agreement from the Borrower and each Lender under the Original Credit Agreement immediately prior to the Amendment Effective Date (or, if any such Lender is a Non-Consenting Lender, its Replacement Lender in accordance with Section 2.16(c) of the Original Credit Agreement) and (ii) from each Loan Party party to each other relevant Loan Document (or has received on or after the Closing Date in the case of Loan Documents continuing pursuant to Section 1.07), a counterpart of such Loan Document signed on behalf of such Loan Party.

(b) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders as of the Amendment Effective Date and dated the Amendment Effective Date) of (i) Wachtell, Lipton, Rosen & Katz, counsel for the Borrower and certain of the Loan Parties and (ii) local counsel in each jurisdiction in which a Loan Party is organized and the laws of which are not covered by the opinion referred to in (i) above, in each case in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Loan Parties, the authorization of the Transactions (excluding use of proceeds) and any other legal matters relating to the Loan Parties, this Agreement or the Transactions (excluding use of proceeds), including a certificate of each Loan Party substantially in the form of Exhibit E, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(d) The Administrative Agent shall have received a certificate, dated the Amendment Effective Date and signed by the Chief Executive Officer, a Vice President, a Financial Officer of the Borrower or any other executive officer of the Borrower who has specific knowledge of the Borrower's financial matters and is satisfactory to the Administrative Agent, confirming that (a) the representations and warranties of each Loan Party set forth in the Loan Documents are true and correct as of the Amendment Effective Date and (b) as of the Amendment Effective Date, no Default has occurred and is continuing.

(e) There shall have been delivered to the Administrative Agent an executed Perfection Certificate.

(f) The Administrative Agent shall have received a solvency certificate in the form of Exhibit I, dated the Amendment Effective Date and signed by the Chief Executive Officer, a Chief Financial Officer, a Chief Accounting Officer or any other executive officer of the Borrower who has specific knowledge of the Borrower's financial matters and is satisfactory to the Administrative Agent.

(g) The Administrative Agent, the Lead Arrangers and the Lenders shall have received all fees and other amounts due and payable on or prior to the Amendment Effective Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses (including fees of legal counsel to the Administrative Agent, the Lead Arrangers and the Lenders) required to be reimbursed or paid by the Borrower hereunder.

(h) Since December 31, 2014, there shall have been no event that has had or would reasonably be expected to have a Material Adverse Effect.

(i) The Administrative Agent shall have received the results of a recent Lien search with respect to each Loan Party, and such search shall reveal no Liens on any of the assets of the Loan Parties except for Liens permitted by Section 6.02 or discharged on or prior to the Amendment Effective Date pursuant to documentation satisfactory to the Administrative Agent.

(j) To the extent not received prior to the Amendment Effective Date, the Collateral Agent shall have received the certificates representing the certificated Equity Interests pledged pursuant to the Pledge Agreement, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof.

(k) The entry into and effectiveness of the Match Credit Agreement shall have occurred substantially concurrently with the effectiveness of this Agreement.

(l) Each Loan Party shall have provided the documentation and other information requested by the Lenders that is required by regulatory authorities under applicable "know your customer" and anti-

money-laundering rules and regulations, including without limitation, the Act, in each case as requested at least three Business Days prior to the Amendment Effective Date.

(m) The Administrative Agent shall have received an executed promissory note payable to the order of each Lender that requested such promissory note at least one Business Day prior to the Amendment Effective Date (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent.

(n) The Borrower shall have paid to the Administrative Agent (i) for the ratable account of the Revolving Lenders immediately on or prior to the Amendment Effective Date, all accrued and unpaid interest on the Revolving Loans under the Original Credit Agreement and all accrued and unpaid fees payable pursuant to Sections 2.09(a) and (b)(i) of the Original Credit Agreement, (ii) for the account of the applicable Issuing Bank, all accrued and unpaid fronting fees payable pursuant to Sections 2.09(b)(ii) of the Original Credit Agreement and (iii) for its own account, all accrued and unpaid fees payable pursuant to Section 2.09(c) of the Original Credit Agreement, in each case to, but not including, the Amendment Effective Date.

(o) The Borrower shall have paid to the Administrative Agent for the account of each of the Revolving Lenders, as fee compensation for the making of such Lender's Revolving Commitment, an amendment fee as separately agreed.

The Administrative Agent shall notify the Borrower and the Lenders of the Amendment Effective Date, and such notice shall be conclusive and binding.

ARTICLE V

Affirmative Covenants

Until the Revolving Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit have expired or been cash collateralized, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01 Financial Statements; Other Information. The Borrower will furnish to the Administrative Agent and each Lender:

(a) within 90 days after the end of each fiscal year of the Borrower, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit except as to the effectiveness of internal control over financial reporting with respect to any subsidiary acquired during such fiscal year in accordance with Regulation S-X under the Exchange Act, as interpreted by the implementation guidance of the U.S. Securities Exchange Commission) to the effect that such consolidated financial statements present fairly in all material respects the financial position and results of operations of the Borrower and its consolidated subsidiaries on a consolidated basis in accordance with GAAP consistently applied (except as approved by such accountants and disclosed therein), and a schedule eliminating Unrestricted Subsidiaries and reconciling to the financial statements in reasonable detail as determined by the Borrower;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, its consolidated balance sheet and related statement of operations as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year and the statements of stockholders' equity and cash flows for the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of)

the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial position and results of operations of the Borrower and its consolidated subsidiaries on a consolidated basis in accordance with GAAP consistently applied (except as approved by such officer and disclosed therein), subject to normal year-end audit adjustments and the absence of footnotes, and a schedule eliminating Unrestricted Subsidiaries and reconciling to the financial statements;

(c) within 90 days after the end of each fiscal year of the Borrower, forecasts of the cash and cash equivalents and long-term debt line items on the consolidated balance sheets and forecasts of the statements of operations and cash flows, in each case of the Borrower and the Restricted Subsidiaries on a quarterly basis for the then current fiscal year, in each case prepared by management of Borrower and substantially in the form as the forecasts delivered by the Borrower to the Lead Arrangers prior to the Closing Date;

(d) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.10, (iii) stating whether any change in GAAP or in the application thereof that materially affects such financial statements has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate, (iv) setting forth a description of any change in the jurisdiction of organization of the Borrower or any Material Domestic Subsidiary since the date of the most recent certificate delivered pursuant to this paragraph (d) (or, in the case of the first such certificate so delivered, since the Closing Date) and (v) setting forth a calculation in reasonable detail indicating which Domestic Subsidiaries are Material Domestic Subsidiaries;

(e) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines and may be limited to accounting matters and disclaim responsibility for legal interpretations);

(f) promptly following receipt thereof, copies of any documents described in Section 101(k) or 101(l) of ERISA that the Borrower or any ERISA Affiliate may request with respect to any Multiemployer Plan; provided that if the Borrower and/or any ERISA Affiliate has not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan then, upon reasonable request of the Administrative Agent, the Borrower and/or its ERISA Affiliates shall promptly make a request for such documents or notices from such administrator or sponsor and the Borrower shall provide copies of such documents and notices to the Administrative Agent (on behalf of each requesting Lender) promptly after receipt thereof; and

(g) promptly following any reasonable request therefor, such other information regarding the operations, business affairs and financial position of the Borrower or any Restricted Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent (on its own behalf or at the request of any Lender) may reasonably request.

Information required to be delivered pursuant to this Section 5.01 shall be deemed to have been delivered if such information (including, in the case of certifications required pursuant to clause (b) above, the certifications accompanying any such quarterly report pursuant to Section 302 of the Sarbanes-Oxley Act of 2002), or one or more annual or quarterly reports containing such information, shall have been posted by the Administrative Agent on IntraLinks or a similar site to which the Lenders have been granted access or shall be available on the website of the SEC at <http://www.sec.gov>; provided that the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent of the posting of such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e. soft copies) of such documents. Information required to be delivered pursuant to this

Section 5.01 may also be delivered by electronic communications pursuant to procedures approved by the Administrative Agent. In the event any financial statements delivered under clause (a) or (b) above shall be restated, the Borrower shall deliver, promptly after such restated financial statements become available, revised completed certificates with respect to the periods covered thereby that give effect to such restatement, signed by a Financial Officer.

SECTION 5.02 Notices of Material Events. The Borrower will furnish to the Administrative Agent for delivery to each Lender prompt written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against the Borrower or any Restricted Subsidiary thereof as to which there is a reasonable likelihood of an adverse determination that would reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, would reasonably be expected to result in liability of the Borrower or its Restricted Subsidiaries in an amount which would constitute a Material Adverse Effect; and

(d) any other development that results in, or would reasonably be expected to result in, a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03 Existence; Conduct of Business. The Borrower will, and will cause each of its Restricted Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business except in each case (i) where the failure to do so would not reasonably be expected to result in a Material Adverse Effect or (ii) as such action is not prohibited under Sections 6.03, 6.04 or 6.05.

SECTION 5.04 Payment of Obligations. The Borrower will, and will cause each of its Restricted Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect 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) the Borrower or such Restricted 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, individually or in the aggregate, result in a Material Adverse Effect.

SECTION 5.05 Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Restricted Subsidiaries 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 or in accordance with acceptable self insurance practices, insurance in such amounts and against such risks as are customarily maintained by companies of similar size engaged in the same or similar businesses operating in the same or similar locations, and (c) and use commercially reasonable efforts to maintain, prosecute and enforce its material Intellectual Property, in each case except where the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.06 Books and Records; Inspection Rights. The Borrower will, and will cause each of its Restricted Subsidiaries to, keep proper books of record and account in which full, true and correct entries in all material respects are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each of its Restricted Subsidiaries to, permit any representatives designated by the

Administrative Agent or any Lender to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants all at such reasonable times and as often as reasonably requested, provided that such visits, inspections, examinations and discussions shall, so long as no Default or Event of Default has occurred and is continuing, take place no more often than one time per fiscal year on a date to be determined by, and shall be coordinated by, the Borrower and the Administrative Agent.

SECTION 5.07 Compliance with Laws. The Borrower will, and will cause each of its Restricted Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.08 Use of Proceeds. The proceeds of the Loans will be used only to finance the working capital needs and general corporate purposes of the Borrower and its Restricted Subsidiaries.

SECTION 5.09 Subsidiary Guarantors and Collateral.

(a) On the Amendment Effective Date (A) each Restricted Subsidiary (other than an Excluded Subsidiary) will continue to be a party to the Subsidiary Guarantee, (B) each Restricted Subsidiary (other than an Excluded Subsidiary and any member of the Match Group) will continue to be a party to the Pledge Agreement and pledge all of the Equity Interests of any Restricted Subsidiary (other than Excluded Equity Interests) directly owned by such Restricted Subsidiary and any other shares, stock certificates, options, interests or rights of any nature whatsoever in respect of the Equity Interests of any Restricted Subsidiary (other than Excluded Equity Interests) that may be issued or granted to, or held by, such Restricted Subsidiary while this Agreement is in effect; provided that such Restricted Subsidiary shall not be required to take any action (including entry into any foreign pledge agreement or similar document) other than those actions expressly set forth in this clause (B) and deliver to the Collateral Agent any and all certificates representing such Equity Interests (to the extent certificated and not previously delivered to the Collateral Agent), accompanied by undated stock powers or other appropriate instruments of transfer executed in blank.

(b) With respect to any Person that becomes a Restricted Subsidiary (other than (x) an Excluded Subsidiary or (y) a subsidiary of The Match Group, Inc., except during a Shared Collateral Period) after the Amendment Effective Date, or any Excluded Subsidiary (other than a subsidiary of The Match Group, Inc., except during a Shared Collateral Period) that ceases to constitute an Excluded Subsidiary after the Amendment Effective Date, the Borrower will, within 30 days thereafter (or such longer period as the Collateral Agent may agree in its sole discretion) (i) cause such Restricted Subsidiary to (A) become a party to the Subsidiary Guarantee, (B) except during a Collateral Suspension Period, become a party to the Pledge Agreement or such other Collateral Document as may be reasonably requested by the Collateral Agent, (C) except during a Collateral Suspension Period, pledge all of the Equity Interests of any Restricted Subsidiary (other than Excluded Equity Interests) directly owned by such Restricted Subsidiary and any other shares, stock certificates, options, interests or rights of any nature whatsoever in respect of the Equity Interests of any Restricted Subsidiary (other than Excluded Equity Interests) that may be issued or granted to, or held by, such Restricted Subsidiary while this Agreement is in effect, (D) deliver to the Collateral Agent any and all certificates representing such Equity Interests (to the extent certificated), accompanied by undated stock powers or other appropriate instruments of transfer executed in blank and (E) deliver to the Administrative Agent a certificate of such Restricted Subsidiary, substantially in the form of Exhibit E, with appropriate insertions and attachments, and (ii) if requested by the Administrative Agent, deliver to the Administrative Agent one or more legal opinions relating to the matters described above, which shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(c) On and after the Amendment Effective Date until the Separation Date, each member of the Match Group that is a guarantor or borrower under the Match Credit Agreement shall be a party to the Subsidiary Guarantee and deliver to the Administrative Agent a certificate of the Restricted Subsidiary that owns such Equity Interests, substantially in the form of Exhibit E, with appropriate insertions and attachments (in each case to the extent not previously satisfied). During the Shared Collateral Period, if any, in each case with respect to any Equity

Interests owned by a Subsidiary Guarantor that is a member of the Match Group that are required to be pledged to the Match Facility Collateral Agent for the benefit of the secured parties under the Match Credit Agreement, the Borrower will, on the first day of the Shared Collateral Period (or, if later, on the date such Equity Interests are required to be pledged under the Match Credit Agreement) (i) cause each Restricted Subsidiary that owns such Equity Interests to (A) become a party to the Pledge Agreement, (B) pledge all of such Equity Interests and any other shares, stock certificates, options, interests or rights of any nature whatsoever in respect of such Equity Interests (to the extent pledged under the Match Credit Agreement) that may be issued or granted to, or held by, such Restricted Subsidiary while this Agreement is in effect, and (C) deliver to the Collateral Agent (or to the Match Facility Collateral Agent as its bailee) any and all certificates representing such Equity Interests (to the extent certificated), accompanied by undated stock powers or other appropriate instruments of transfer executed in blank, and (ii) if requested by the Administrative Agent, deliver to the Administrative Agent one or more legal opinions relating to the matters described in this clause (c), which shall cover matters, and be in a form, substantially the same as previously provided to the Administrative Agent under Section 4.03(b) to the extent applicable from Wachtell, Lipton Rosen & Katz or such other counsel reasonably satisfactory to the Administrative Agent. At the time of the initial pledge pursuant to this Section 5.09(c), the Administrative Agent shall have received executed counterparts of the Pari Passu Intercreditor Agreement substantially simultaneously therewith.

SECTION 5.10 Collateral Suspension Period.

(a) Notwithstanding anything to the contrary contained in this Agreement, any Loan Document or any other document executed in connection herewith, if a Collateral Suspension Date occurs (including any subsequent Collateral Suspension Date after the occurrence of an immediately preceding Collateral Reinstatement Date), then the Borrower shall be entitled to request the release of any or all of the Liens granted pursuant to the Collateral Documents on the Collateral (other than, during any Shared Collateral Period, Collateral pledged pursuant to Section 5.09(c)), and upon delivery to the Administrative Agent and Collateral Agent of the Officer's Certificate set forth in clause (iv) of the definition of "Collateral Suspension Date," such Liens securing Obligations shall automatically terminate. In connection with the foregoing, the Collateral Agent shall, within a reasonable period of time following the request and at the sole cost and expense of the Loan Parties, assign, transfer and deliver to the applicable Loan Parties, without recourse to or warranty by the Collateral Agent except as to the fact that the Collateral Agent has not encumbered the released assets, such of the Collateral or any part thereof (other than, during any Shared Collateral Period, Collateral pledged pursuant to Section 5.09(c)) to be released as may be in possession of the Collateral Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof, and, with respect to any other Collateral (other than, during any Shared Collateral Period, Collateral pledged pursuant to Section 5.09(c)), such documents and instruments (including UCC-3 termination financing statements or releases) as the Borrower shall reasonably request to evidence such termination and release. During any Collateral Suspension Period, the terms and conditions of the Collateral Documents, including all covenants and representations and warranties contained therein, shall not apply to the Loan Parties (other than, during any Shared Collateral Period, with respect to the Collateral pledged pursuant to Section 5.09(c) and the pledgers thereof). Notwithstanding clause (a) above, if after any Collateral Suspension Date (i) either (x) the Borrower's corporate credit/family rating subsequently falls below BBB- by S&P or Baa3 by Moody's or (y) either S&P or Moody's (or a successor thereto) ceases to provide a corporate credit/family rating for the Borrower, (ii) any Loan Party incurs a Lien pursuant to Section 6.02(g) or (iii) the Borrower notifies the Administrative Agent in writing that it has elected to terminate the Collateral Suspension Period (the occurrence of any event in clause (i), (ii), or (iii), a "Collateral Reinstatement Event"), the Collateral Suspension Period with respect to such Collateral Suspension Date shall automatically terminate and all Collateral and the Collateral Documents, and all Liens granted or purported to be granted therein, released pursuant to clause (a) above shall be automatically reinstated on the same terms as of the applicable Collateral Reinstatement Date (as defined below) and the Loan Parties shall take all actions and execute and deliver all documents including the delivery of a new pledge agreement and UCC-1 financing statements (collectively, the "New Collateral Documents") and stock certificates accompanied by stock powers reasonably requested by the Administrative Agent as necessary to create and perfect the Liens of the Collateral Agent in such Collateral, substantially consistent with the provisions of Section 4.03 of this Agreement, in form and substance reasonably satisfactory to the Administrative Agent (collectively, the "Collateral Reinstatement Requirements"), within 30 days of such Collateral Reinstatement Event (or such longer period as the Administrative Agent may agree in its sole discretion) (the first date on which a new pledge agreement is required to be delivered pursuant to the foregoing, the "Collateral

Reinstatement Date”). The Collateral Agent is hereby authorized to enter into any New Collateral Documents in connection with any Collateral Reinstatement Event.

SECTION 5.11 Further Assurances. Promptly upon the reasonable request by the Administrative Agent, or any Lender through the Administrative Agent, the Borrower shall, and shall cause the Subsidiary Guarantors to, (a) correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Loan Document, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably require from time to time in order to (i) carry out the purposes of the Loan Documents, (ii) to the fullest extent permitted by applicable law, subject any Loan Party’s Equity Interests to the Liens granted by the Pledge Agreement to the extent required thereunder and (iii) perfect and maintain the validity, effectiveness and priority of the Pledge Agreement and any of the Liens created thereunder. Notwithstanding the foregoing, neither the Borrower nor any subsidiary shall be required to comply with the provisions of clauses (b)(ii) or (iii) of this Section 5.11 during any Collateral Suspension Period.

ARTICLE VI

Negative Covenants

Until the Revolving Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or have been cash collateralized, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01 Indebtedness. The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness incurred under the Loan Documents;

(b) (i) Pari Passu Indebtedness, so long as after giving pro forma effect to the incurrence of such Pari Passu Indebtedness and any substantially concurrent use of the proceeds thereof, (x) the Priority and Secured Leverage Ratio as of the last day of the most recently ended Test Period for which financial statements have been delivered pursuant to Section 5.01(a) or (b) shall be less than or equal to 1.75 to 1.00, (y) no Default shall have occurred and be continuing and (z) the Borrower shall be in compliance with Section 6.10, in each case on the date of such incurrence and (ii) any Refinancing Indebtedness thereof;

(c) (i) Indebtedness of the Borrower or any other subsidiary 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 (provided that such Indebtedness is incurred or assumed prior to or within 90 days after such acquisition or the completion of such construction or improvement and the principal amount of such Indebtedness does not exceed the cost of acquiring, constructing or improving such fixed or capital assets) in an aggregate amount under this clause (c) not to exceed the greater of \$75,000,000 and 2.0% of Total Assets as of the time of incurrence; provided that (x) no Default shall have occurred and be continuing and (y) the Borrower shall be in compliance with Section 6.10 and (ii) any Refinancing Indebtedness thereof;

(d) any Indebtedness of any Loan Party that is not secured by any Lien on the assets of the Borrower or of any Restricted Subsidiary so long as (i) after giving pro forma effect to the incurrence of such Indebtedness and any substantially concurrent use of the proceeds thereof, (A) no Default shall have occurred and be continuing and (B) the Borrower shall be in compliance with Section 6.10, and (ii) other than with respect to Indebtedness the aggregate amount of which shall not exceed \$25,000,000, such Indebtedness under this clause (d) has a final maturity date occurring after the date that is 90 days after the latest final maturity date applicable to the Loans at the time such Indebtedness is incurred and does not

require any mandatory prepayments other than in connection with a Change of Control or with the net cash proceeds from any Disposition;

(e) (i) Priority Indebtedness so long as after giving pro forma effect to the incurrence of such Priority Indebtedness and any substantially concurrent use of the proceeds thereof, (x) the aggregate principal amount of Priority Indebtedness (without duplication) outstanding at the time of such incurrence does not exceed the greater of \$280,000,000 and 50.0% of Consolidated EBITDA for the then most recently ended Test Period for which financial statements have been delivered pursuant to Section 5.01(a) or (b), (y) no Default shall have occurred and be continuing and (z) the Borrower shall be in compliance with Section 6.10, in each case, on the date of such incurrence; and (ii) any Refinancing Indebtedness thereof;

(f) Guarantees of any Indebtedness permitted pursuant to this Section 6.01; in each case so long as in the case of clauses (b) and (d) above, and the Senior Notes and any Refinancing Indebtedness thereof, the Loans are guaranteed by such Restricted Subsidiary to at least the same extent;

(g) Indebtedness related to the Senior Notes and any Refinancing Indebtedness thereof;

(h) (x) Indebtedness of the Borrower owed to any Restricted Subsidiary or of a Restricted Subsidiary owed to any other Restricted Subsidiary or the Borrower and (y) guarantees by any Restricted Subsidiary or the Borrower of any Indebtedness of the Borrower or any other Restricted Subsidiary; provided, however, that upon any such Indebtedness being owed to any Person other than the Borrower or a Restricted Subsidiary or any such guarantee being of Indebtedness of any Person other than the Borrower or a Restricted Subsidiary, as applicable, the Borrower or such Restricted Subsidiary, as applicable, shall be deemed to have incurred Indebtedness not permitted by this clause (h);

(i) Indebtedness outstanding on the Amendment Effective Date and set forth on Schedule 6.01 and any Refinancing Indebtedness thereof;

(j) (i) Indebtedness of any Person which becomes a Restricted Subsidiary after the Closing Date or is merged with or into or consolidated or amalgamated with the Borrower or any Restricted Subsidiary after the Closing Date and Indebtedness expressly assumed in connection with the acquisition of an asset or assets from any other Person; provided that (A) such Indebtedness existed at the time such Person became a Restricted Subsidiary or of such merger, consolidation, amalgamation or acquisition and was not created in anticipation thereof and (B) immediately after such Person becomes a Restricted Subsidiary or such merger, consolidation, amalgamation or acquisition, (x) no Default shall have occurred and be continuing and (y) the Borrower shall be in pro forma compliance with Section 6.10 and (ii) any Refinancing Indebtedness of such Indebtedness described in clause (i);

(k) Indebtedness constituting Investments not prohibited under Section 6.11 (other than Section 6.11(g));

(l) Indebtedness in respect of bid, performance, surety bonds or completion bonds issued for the account of the Borrower or any Restricted Subsidiary in the ordinary course of business, including guarantees or obligations of the Borrower or any Restricted Subsidiary with respect to letters of credit supporting such bid, performance, surety or completion obligations;

(m) Indebtedness owed to any officers or employees of the Borrower or any Restricted Subsidiary; provided that the aggregate principal amount of all such Indebtedness shall not exceed \$5,000,000 at any time outstanding;

(n) Indebtedness arising or incurred as a result of or from the adjudication or settlement of any litigation or from any arbitration or mediation award or settlement, in any case involving the Borrower

or any Restricted Subsidiary, provided that the judgment, award(s) and/or settlements to which such Indebtedness relates would not constitute an Event of Default under Section 7.01(j);

(o) indemnification, adjustment of purchase price, deferred purchase price, contingent consideration or other compensation or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets of the Borrower or any Restricted Subsidiary or Equity Interests of a Restricted Subsidiary, other than Guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Equity Interests for the purpose of financing or in contemplation of any such acquisition; provided that, in the case of a disposition, the maximum aggregate liability in respect of all such obligations incurred or assumed in connection with such disposition outstanding under this clause (o) shall at no time exceed the gross proceeds (including Fair Market Value of noncash proceeds measured at the time such noncash proceeds are received) actually received by the Borrower and the Restricted Subsidiaries in connection with such disposition;

(p) unsecured Indebtedness in respect of obligations of the Borrower or any of its Restricted Subsidiaries to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services; provided that such obligations are incurred in connection with open accounts extended by suppliers on customary trade terms (which require that all such payments be made within 60 days after the incurrence of the related obligations) in the ordinary course of business and not in connection with the borrowing of money;

(q) letters of credit, bank guarantees, warehouse receipts or similar instruments issued to support performance obligations and trade letters of credit (other than obligations in respect of other Indebtedness) in the ordinary course of business;

(r) Indebtedness arising (A) from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of incurrence or (B) under any customary cash pooling or cash management agreement with a bank or other financial institution in the ordinary course of business;

(s) Indebtedness representing deferred compensation incurred in the ordinary course of business;

(t) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(u) Indebtedness supported by a letter of credit, bank guarantee or similar instrument, in principal amount not in excess of the stated amount of such letter of credit, bank guarantee or similar instrument;

(v) the disposition of accounts receivable in connection with receivables factoring arrangements in the ordinary course of business;

(w) Indebtedness of the Borrower consisting of obligations for the payment of letters of credit in commitment amounts not to exceed \$10,000,000 in the aggregate at any one time outstanding, excluding any commitment amounts for letters of credit issued pursuant to Indebtedness incurred under any other clause of this Section 6.01;

(x) any guarantee by the Borrower or any of its Restricted Subsidiaries, in the ordinary course of business, of obligations of suppliers, customers, franchisees and licensees of the Borrower or any of its Restricted Subsidiaries; and

(y) to the extent constituting Indebtedness, the Match Transactions;

provided that any Indebtedness in respect of the Liberty Bonds will be deemed incurred pursuant to Section 6.01(e) on the Closing Date. Accrual of interest, the accretion of accreted value and the payment of interest in the form of additional Indebtedness will not be deemed to be an incurrence of Indebtedness for purposes of this Section 6.01.

SECTION 6.02 Liens. The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) any Lien on any property or asset of the Borrower or any Restricted Subsidiary (or any improvements or accession thereto or proceeds therefrom) existing on the Amendment Effective Date and set forth in Schedule 6.02; provided that (i) such Lien shall not apply to any other property or asset of the Borrower or any Restricted Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the Amendment Effective Date and any Refinancing Indebtedness in respect thereof;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Restricted Subsidiary or existing on any property or asset of any Person that becomes a Restricted Subsidiary after the Closing Date prior to the time such Person becomes a Restricted Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Restricted Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Restricted Subsidiary and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Restricted Subsidiary, as the case may be, and any Refinancing Indebtedness in respect thereof;

(d) Liens securing Indebtedness of the Borrower or any Restricted Subsidiary incurred pursuant to Section 6.01(c); provided that (i) such Liens are incurred prior to or within 90 days after such acquisition or the completion of such construction and improvement with the acquisition of such fixed or capital assets, and (ii) such Liens do not at any time encumber any of its existing property other than the property financed by such Indebtedness;

(e) deposits, reserves and other Liens securing credit card operations of the Borrower and its Restricted Subsidiaries;

(f) Liens created by the Collateral Documents or otherwise securing the Obligations;

(g) Liens securing Indebtedness permitted pursuant to Section 6.01(b), so long as, in each case, the Obligations are secured equally and ratably with (or better than) such Liens;

(h) Liens securing Indebtedness permitted pursuant to Section 6.01(e);

(i) Liens securing Guarantees of Indebtedness permitted pursuant to Section 6.01(a), (b) and (e); provided that, with respect to any such Liens securing Guarantees of Indebtedness permitted pursuant to Section 6.01(b), the Obligations are secured equally and ratably with (or better than) such Liens;

(j) Liens that do not secure Indebtedness and do not interfere with the material operations of the Borrower and the Restricted Subsidiaries and do not individually or in the aggregate materially impair the value of the assets of the Borrower and the Restricted Subsidiaries;

(k) Liens deemed to secure Capital Lease Obligations incurred in connection with any sale and leaseback transaction permitted by Section 6.08;

(l) licenses, sublicenses, leases or subleases that do not interfere in any material respect with the business of the Borrower or any Restricted Subsidiary;

(m) any interest or title of a lessor or sublessor under, and Liens arising from Uniform Commercial Code financing statements (or equivalent filings, registrations or agreements in foreign jurisdictions) relating to, leases and subleases permitted hereunder;

(n) 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;

(o) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection;

(p) Liens solely on any cash earnest money deposits made by the Borrower or any Restricted Subsidiary in connection with any letter of intent or purchase agreement in respect of any acquisition or other investment by the Borrower or any Restricted Subsidiary;

(q) Liens securing the Liberty Bonds and any Guarantees thereof;

(r) any extension, renewal or replacement (or successive renewals or replacements) in whole or in part of any Lien referred to in clause (b), (c), (d), (g), (h), (i) or (q); provided that with respect to (b), (c) and (d), (x) the obligations secured thereby shall be limited to the obligations secured by the Lien so extended, renewed or replaced (and, to the extent provided in such clauses, extensions, renewals and replacements thereof) and (y) such Lien shall be limited to all or a part of the assets that secured the Lien so extended, renewed or replaced;

(s) Liens encumbering deposits made to secure obligations arising from common law, statutory, regulatory, contractual or warranty requirements of the Borrower or any Restricted Subsidiary, including rights of offset and setoff;

(t) Liens securing Hedging Obligations entered into for bona fide hedging purposes of the Borrower or any Restricted Subsidiary not for the purpose of speculation;

(u) Liens in favor of a Loan Party;

(v) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods and Liens in the ordinary course of business in favor of issuers of performance and surety bonds or bid bonds or with respect to health, safety and environmental regulations (other than for borrowed money) or letters of credit or bank guarantees issued to support such bonds or requirements pursuant to the request of and for the account of such Person in the ordinary course of business;

(w) Interests of vendors in inventory arising out of such inventory being subject to a "sale or return" arrangement with such vendor or any consignment by any third party of any inventory;

(x) Liens securing Indebtedness owed by (a) a Restricted Subsidiary to the Borrower or to any other Restricted Subsidiary that is a Subsidiary Guarantor or (b) the Borrower to a Subsidiary Guarantor;

(y) Liens securing obligations pursuant to cash management agreements and treasury transactions;

(z) Liens arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to the Borrower and its Restricted Subsidiaries in the ordinary course of trading and on the supplier's standard or usual terms; and

(aa) Liens on Equity Interests of the members of the Match Group (other than The Match Group, Inc.) and, during the Shared Collateral Period (if any), the Collateral, in each case securing Indebtedness permitted under Section 6.01(y) and Guarantees thereof permitted by Section 6.01(f); provided that, during the Shared Collateral Period (if any), the Obligations are secured by the Equity Interests of the members of the Match Group and the other Collateral on a pari passu basis with such Liens;

provided that, at any time other than during a Collateral Suspension Period, no voluntary Lien shall be created, incurred, assumed or permitted to exist on any Equity Interests of any Restricted Subsidiary required to be pledged to secure the Obligations hereunder other than (i) Permitted Encumbrances described in clauses (a), (b) and (e) of the definition of "Permitted Encumbrances," (ii) Liens securing the Obligations, (iii) Liens securing Pari Passu Indebtedness or Priority Indebtedness (and Liens securing Guarantees thereof permitted by Section 6.01(f)) and (iv) Liens permitted under 6.02(aa) above.

SECTION 6.03 Fundamental Changes. The Borrower will not, and will not permit any Restricted Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or Dispose of (in one transaction or in a series of related transactions) all or substantially all of its assets, or all or substantially all of the stock of any of its Restricted Subsidiaries (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing:

(i) any Person may merge or be consolidated with or into the Borrower in a transaction in which the Borrower is the continuing or surviving Person;

(ii) any Person (other than the Borrower) may merge or consolidate with or into any Restricted Subsidiary in a transaction in which the surviving entity is or becomes a Restricted Subsidiary; provided that, if such Person is a Subsidiary Guarantor, the surviving entity is the Borrower or is or substantially concurrently becomes a Subsidiary Guarantor;

(iii) any merger, consolidation, Disposition, liquidation or dissolution not prohibited by Sections 6.04, 6.05 and 6.11 shall be permitted;

(iv) any Restricted Subsidiary may Dispose of its assets, and the Borrower or any Restricted Subsidiary may Dispose of any stock of any of its Restricted Subsidiaries, in each case to the Borrower or to another Restricted Subsidiary;

(v) any Restricted Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; and

(vi) a Match Disposition shall be permitted.

SECTION 6.04 Disposition of Property. The Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Sale unless at the time of such transaction and after giving effect thereto and to the use of proceeds thereof (i) no Default shall have occurred and be continuing and (ii) the Borrower or such Restricted Subsidiary, as the case may be, receives consideration at least equal to the Fair Market Value of the assets sold or otherwise disposed of, and (iii) in the case of an Asset Sale other than an Asset Swap, at least 75% of the consideration therefor received by the Borrower or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; provided that the amount of:

(i) any liabilities (as reflected in the Borrower's or such Restricted Subsidiary's most recent balance sheet or in the footnotes thereto, or if incurred or accrued subsequent to the date of such balance sheet, such liabilities that would have been shown on the Borrower's or such Restricted Subsidiary's balance sheet or in the footnotes thereto if such incurrence or accrual had taken place on the date of such balance sheet) of the Borrower or such Restricted Subsidiary other than liabilities that are by their terms

subordinated in right of payment to the Loans, that are assumed by the transferee of any such assets and for which the Borrower and all of its Restricted Subsidiaries have been validly released by all creditors in writing,

(ii) any securities, notes or other similar obligations received by the Borrower or such Restricted Subsidiary from such transferee that are converted by the Borrower or such Restricted Subsidiary into cash or Cash Equivalents (to the extent so converted) within 180 days following the closing of such Asset Sale, and

(iii) any Designated Noncash Consideration received by the Borrower or any Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Noncash Consideration received pursuant to this clause (iii) that is at that time outstanding, not to exceed an amount equal to the greater of \$100,000,000 or 3.0% of Total Assets at the time of the receipt of such Designated Noncash Consideration, with the Fair Market Value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value,

shall be deemed to be cash or Cash Equivalents for purposes of this provision and for no other purpose; provided, further, the Borrower will not, and will not permit any Restricted Subsidiary to, directly or indirectly, consummate a Search Disposition.

SECTION 6.05 Restricted Payments. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, declare or make, directly or indirectly, any Restricted Payment, except:

(i) the payment by the Borrower or any Restricted Subsidiary of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration thereof or giving the notice of the redemption, if on the date of declaration or notice the payment would have complied with the provisions of the Indenture (assuming, in the case of redemption, the giving of the notice would have been deemed to be a Restricted Payment at such time and such deemed Restricted Payment would have been permitted at such time);

(ii) the Borrower may declare or make a Restricted Payment with respect to its Equity Interest payable solely in Qualified Equity interests or redeem any of its Equity Interests in exchange for, or out of the proceeds of the substantially concurrent issuance and sale of, Qualified Equity Interests or through accretion or accumulation of such dividends on such Equity Interests;

(iii) repurchase, redemption or other acquisition for value by the Borrower of, Equity Interests of the Borrower held by officers, directors or employees or former officers, directors or employees of the Borrower and any Restricted Subsidiary (or their transferees, estates or beneficiaries under their estates), upon their death, disability, retirement, severance or termination of employment or service; provided that the aggregate cash consideration paid for all such redemptions shall not exceed \$10,000,000 during any twelve consecutive months (with unused amounts in any period being carried over to succeeding periods); provided, further, that cancellation of Indebtedness owing to the Borrower or any Restricted Subsidiary from any current or former officer, director or employee (or any permitted transferees thereof) of the Borrower or any of its Restricted Subsidiaries (or any direct or indirect parent company thereof), in connection with a repurchase of Equity Interests of the Borrower from such Persons will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provisions of the Indenture;

(iv) repurchases of Equity Interests deemed to occur (a) upon the exercise of stock options, warrants, or similar rights if the Equity Interests represent all or a portion of the exercise price thereof or (b) in connection with the satisfaction of any withholding Tax obligations incurred relating to the vesting or exercise of stock options, warrants, restricted stock units or similar rights;

(v) any Restricted Payment made out of the net cash proceeds of the substantially concurrent sale of, or made by exchange for, Qualified Equity Interests of the Borrower (other than Qualified Equity Interests issued or sold to a Restricted Subsidiary of the Borrower or an employee stock ownership plan or to a trust established by the Borrower or any of its Restricted Subsidiaries for the benefit of their employees) or a substantially concurrent cash capital contribution received by the Borrower from its stockholders;

(vi) payments or distributions to dissenting stockholders pursuant to applicable law, pursuant to or in connection with a consolidation, merger or transfer of all or substantially all of the assets of the Borrower and its Restricted Subsidiaries that complies with the provisions of Section 6.03; and

(vii) any Restricted Subsidiary may declare or make a Restricted Payment with respect to the Equity Interests of such Restricted Subsidiary to the Borrower or any other Restricted Subsidiary (and, in the case of a Restricted Subsidiary that is not a Wholly Owned Subsidiary, to each owner of Equity Interests of such Restricted Subsidiary such that the Borrower or Restricted Subsidiary receives at least its pro rata share of such dividend or distribution).

Notwithstanding the foregoing, the Borrower and its Restricted Subsidiaries shall be permitted to declare and make and agree to pay and pay any Restricted Payment (including any Match Disposition); provided that after giving pro forma effect to such Restricted Payment, (i) no Default shall have occurred and be continuing and (ii) the Borrower shall be in compliance with Section 6.10; provided, further, no distribution in connection with a Search Disposition will be permitted pursuant to this Section 6.05.

SECTION 6.06 Transactions with Affiliates. The Borrower will not, and will not permit any of its Restricted 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 (including amendments or modifications to prior or existing transactions) with, any of its Affiliates involving payment or consideration in excess of \$5,000,000, except:

(a) for transactions at prices and on terms and conditions not less favorable to the Borrower or such Restricted Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, as determined by the Borrower;

(b) transactions between or among the Borrower and its Restricted Subsidiaries not involving any other Affiliate;

(c) pursuant to, as determined by the Borrower, reasonable director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, and stock compensation plans) and indemnification arrangements and performance of such arrangements;

(d) any Restricted Payment permitted by Section 6.05;

(e) ordinary course overhead arrangements in which any Restricted Subsidiary or Unrestricted Subsidiary participates;

(f) any Investment permitted by Section 6.11;

(g) (x) any agreement or arrangement in effect on the Amendment Effective Date and any amendment or replacement thereof that is not more disadvantageous to the Lenders in any material respect than the agreement or arrangement in effect on the Amendment Effective Date; or (y) any transaction pursuant to any agreement or arrangement referred to in the immediately preceding clause (x);

(h) any transaction with a joint venture or similar entity which would be subject to this Section 6.06 solely because the Borrower or a Restricted Subsidiary owns an equity interest in or otherwise controls such joint venture or similar entity;

(i) any transaction entered into by a Person prior to the time such Person becomes a Restricted Subsidiary or is merged or consolidated with or into the Borrower or a Restricted Subsidiary;

(j) any transaction with an Affiliate where the only consideration paid by the Borrower or any Restricted Subsidiary is Qualified Equity Interests;

(k) the issuance or sale of any Qualified Equity Interests;

(l) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise, in each case pursuant to, or the funding of, employment arrangements, stock options and stock ownership plans in the ordinary course of business;

(m) any employment agreements entered into by the Borrower or any of its Restricted Subsidiaries in the ordinary course of business and the transactions pursuant thereto; and

(n) transactions between any one or more members of the IAC Group and any one or more members of the Match Group in connection with the Match Transactions.

SECTION 6.07 Changes in Fiscal Periods. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, change its fiscal year to end on a day other than December 31 or change its method of determining fiscal quarters.

SECTION 6.08 Sales and Leasebacks. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, enter into any arrangement with any Person (other than the Borrower or a Restricted Subsidiary) providing for the leasing by the Borrower or any Restricted Subsidiary of real or personal property that has been or is to be sold or transferred by the Borrower or any Restricted Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of the Borrower or any Restricted Subsidiary unless (i) the lease in such arrangement is a capital lease and such capital lease may be entered into at such time pursuant to Section 6.01 and 6.02 or (ii) the lease in such arrangement is not a capital lease and the aggregate proceeds from such arrangement and other such arrangements since the Amendment Effective Date do not exceed the greater of \$25,000,000 and 1.0% of Consolidated EBITDA for the then most recently ended Test Period for which financial statements have been delivered pursuant to Section 5.01(a) or (b).

SECTION 6.09 Clauses Restricting Subsidiary Distributions. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) pay dividends or make any other distributions on or in respect of its Equity Interests held by the Borrower or a Restricted Subsidiary, (b) make loans or advances or pay any Indebtedness or other obligation owed to the Borrower or any Subsidiary Guarantor or (c) transfer any of its assets to the Borrower or any Subsidiary Guarantor, except for such encumbrances or restrictions existing under or by reason of:

(i) any encumbrances or restrictions existing under this Agreement and the other Loan Documents;

(ii) encumbrances or restrictions with respect to a Restricted Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the capital stock or assets of such Restricted Subsidiary;

- (iii) encumbrances or restrictions under any agreement governing Capital Lease Obligations secured by Liens permitted by Section 6.02, so long as such restrictions apply only to the assets subject to such Liens or relating to such Capital Lease Obligations, as the case may be;
- (iv) encumbrances or restrictions under any agreement listed on Schedule 6.09 as in effect on the Amendment Effective Date;
- (v) encumbrances or restrictions under any agreement of any Person that becomes a Restricted Subsidiary after the Closing Date that existed prior to the time such Person became a Restricted Subsidiary; provided that such restrictions are not created in contemplation of or in connection with such acquisition;
- (vi) any other instrument or agreement entered into after the Closing Date that contains encumbrances and restrictions that, as determined by the Borrower, will not materially adversely affect the Borrower's ability to make payments on the Loans;
- (vii) encumbrances or restrictions existing under or by reason of applicable law, regulation or order;
- (viii) non-assignment provisions of any contract or lease entered into in the ordinary course of business;
- (ix) encumbrances or restrictions imposed under any agreement to sell assets, including Qualified Equity Interests of such Restricted Subsidiary, permitted under this Agreement to any Person pending the closing of such sale;
- (x) encumbrances or restrictions relating to any Lien permitted under this Agreement imposed by the holder of such Lien that limit the right of the relevant obligor to transfer assets that are subject to such Lien;
- (xi) encumbrances or restrictions relating to any Lien on any asset or property at the time of acquisition of such asset or property by the Borrower or any Restricted Subsidiary;
- (xii) customary provisions in partnership agreements, limited liability company organizational governance documents, joint venture agreements, shareholder agreements and other similar agreements that restrict the transfer of ownership interests in such partnership, limited liability company, joint venture, corporation or similar Person;
- (xiii) encumbrances or restrictions on cash or other deposits or net worth imposed by suppliers, customers or landlords under contracts entered into in the ordinary course of business;
- (xiv) Indebtedness incurred in compliance with Section 6.01(c) that imposes restrictions of the nature described in clause (c) above on the assets acquired;
- (xv) with respect to clause (c) only, any encumbrance or restriction consisting of customary nonassignment provisions in leases governing leasehold interests, licenses, joint venture agreements and agreements similar to any of the foregoing to the extent such provisions restrict the transfer of the property subject to such leases, licenses, joint venture agreements or similar agreements;
- (xvi) with respect to clause (c) only, any encumbrance or restriction contained in security agreements or mortgages securing Indebtedness of a Restricted Subsidiary to the extent such encumbrance or restriction restricts the transfer of the property subject to such security agreements or mortgages;

(xvii) any encumbrances or restrictions imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, agreements, instruments or obligations referred to in this Section 6.09; provided that, as determined by the Borrower, such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings (a) are not materially more restrictive with respect to such encumbrances and restrictions than those prior to such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings or (b) will not materially adversely affect the Borrower's ability to make payments on the Loans; and

(xviii) encumbrances or restrictions imposed on any member of the Match Group in connection with the Match Transactions.

SECTION 6.10 Consolidated Leverage Ratio. The Borrower will not permit the Consolidated Leverage Ratio as of the last day of any Test Period to be more than 3.25 to 1.00.

SECTION 6.11 Investments. The Borrower will not, and will not permit any of its Restricted Subsidiaries to, make any advance, loan, extension of credit (by way of Guarantee or otherwise) or capital contribution to, or purchase any Equity Interests, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or incur any Unrestricted Subsidiary Support Obligations with respect to, any other Person (all of the foregoing, "Investments") except:

(a) extensions of trade credit and credit to customers in the ordinary course of business;

(b) Investments in cash and Cash Equivalents and Investments that were Cash Equivalents when made;

(c) loans and advances to directors, employees and officers of the Borrower or any Restricted Subsidiary in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate principal amount for the Borrower and its Restricted Subsidiaries not to exceed \$10,000,000 at any one time outstanding;

(d) Investments made by the Borrower or any Restricted Subsidiary in the Borrower or any Restricted Subsidiary;

(e) Investments (including Investments in the Match Group but excluding Investments directly or indirectly in any other Unrestricted Subsidiaries) made at any time if, after giving pro forma effect thereto, (i) the Borrower shall be in compliance with Section 6.10 and (ii) no Default shall have occurred and be continuing;

(f) any Investment existing on, or made pursuant to binding commitments existing on, the Amendment Effective Date and disclosed to the Lenders in writing on the Amendment Effective Date;

(g) Investments not prohibited by Section 6.05;

(h) Investments in Unrestricted Subsidiaries in an aggregate amount not to exceed \$100,000,000 in any fiscal year; provided that if Investments in Unrestricted Subsidiaries are not made in such amount, any unused amount may be carried forward for the next two fiscal years, determined net of any cash recoveries actually received in respect of such Investments (it being understood that, if an Unrestricted Subsidiary becomes a Restricted Subsidiary, there will be deemed to have occurred a cash recovery of all Investments made in such subsidiary on or after the Closing Date); provided that after giving pro forma effect to each such Investment, no Default shall have occurred and be continuing;

(i) Guarantees not prohibited by Section 6.01;

- (j) Investments to the extent that payment for such Investments is made with Qualified Equity Interests of the Borrower;
- (k) accounts, chattel paper and notes receivable arising from the sale or lease of goods or the performance of services in the ordinary course of business;
- (l) Investments received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, suppliers and customers arising in the ordinary course of business;
- (m) Investments, including in joint ventures of the Borrower or any Restricted Subsidiary, in an amount not to exceed at any one time outstanding the greater of \$75,000,000 or 2.00% of Total Assets;
- (n) Investments arising out of the receipt by the Borrower or a Restricted Subsidiary of noncash consideration for the sale of assets permitted under Section 6.04;
- (o) Guarantees by the Borrower or any Restricted Subsidiary of operating leases (other than Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into by the Borrower or Restricted Subsidiary in the ordinary course of business;
- (p) lease, utility and other similar deposits in the ordinary course of business; and
- (q) to the extent constituting Investments, the Match Transactions.

ARTICLE VII

Events of Default

SECTION 7.01 Events of Default. If any of the following events ("Events of Default") shall occur:

- (a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;
- (b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Section 7.01) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;
- (c) any representation or warranty made or deemed made by or on behalf of the Borrower or any other Loan Party in this Agreement or any other Loan Document or any amendment, modification or waiver in respect thereof, or in any certificate furnished pursuant to this Agreement or any other Loan Document or any amendment, modification or waiver in respect thereof, shall prove to have been incorrect in any material respect when made or deemed made;
- (d) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to the Borrower's existence) or 5.08 or in Article VI;
- (e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document to which it is a party (other than those specified in clause (a), (b), (c) or (d) of this Section 7.01), and such failure shall continue unremedied for a period of 30 days after written notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) the Borrower or any Restricted Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable after any applicable grace period therefor;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Section 7.01, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Restricted 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;

(j) one or more judgments for the payment of money in an aggregate amount in excess of \$50,000,000 (to the extent not adequately covered by insurance) shall be rendered against the Borrower, any Material Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed;

(k) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, would reasonably be expected to result in a Material Adverse Effect;

(l) at any time other than during a Collateral Suspension Period, the Pledge Agreement shall cease, for any reason, to be in full force and effect, or any Loan Party shall so assert in writing, or any material Lien created by the Pledge Agreement shall cease to be enforceable and of the same effect and priority purported to be created thereby (except, in each case, as permitted under the Loan Documents);

(m) this Agreement or the Subsidiary Guarantee shall cease, for any reason, to be in full force and effect, or any Loan Party shall so assert in writing, except as permitted under the Loan Documents; or

(n) Change of Control shall occur;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Section 7.01), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the 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 Revolving Commitments, and thereupon the Revolving Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable

during the continuation of such event) by the Borrower, and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind (other than notice from the Administrative Agent), all of which are hereby waived by the Borrower and (iii) require all outstanding Letters of Credit to be cash collateralized in accordance with Section 2.17(k); and in case of any event with respect to the Borrower described in clause (h) or (i) of this Section 7.01, the Revolving Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE VIII

The Administrative Agent

SECTION 8.01 Appointment and Authorization. Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof and the other Loan Documents, together with such actions and powers as are reasonably incidental thereto.

SECTION 8.02 Administrative Agent and Affiliates. The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Restricted Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

SECTION 8.03 Action by Administrative Agent. The Administrative Agent shall not have any duties or obligations except those expressly set forth herein 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 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 discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02 or 9.03), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Restricted Subsidiaries that is communicated to or obtained by the bank serving as 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 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 9.02 or 9.03) or otherwise, in the absence of its own gross negligence or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a 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 this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered under or in connection with this Agreement or any other Loan Document, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or in any other Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, the other Loan Documents or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein or in any other Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

SECTION 8.04 Consultation with Experts. 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 believed by it to be genuine and to have been signed or sent by the proper Person. The

Administrative Agent also may 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 (who may be counsel for the Borrower), independent 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 any such counsel, accountants or experts.

SECTION 8.05 Delegation of Duties. The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

SECTION 8.06 Successor Administrative Agent. Subject to the appointment and acceptance of a successor Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and the Borrower. Upon any such resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall 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 hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article VIII and Section 9.04 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

SECTION 8.07 Credit Decision. Each Lender acknowledges that 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 Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

SECTION 8.08 Lead Arrangers; Syndication Agent; Co-Documentation Agents. Notwithstanding anything to the contrary herein, none of the Lead Arrangers, the Syndication Agent or Co-Documentation Agents shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, if applicable, as the Administrative Agent, the Collateral Agent, a Lender or an Issuing Bank. Each Lender acknowledges that it has not relied, and will not rely, on any of the Lead Arrangers, the Syndication Agent or the Co-Documentation Agents in deciding to enter into this Agreement or any other Loan Document or in taking or not taking any action hereunder or thereunder.

SECTION 8.09 Tax Indemnification by the Lenders. To the extent required by any applicable Requirements of Law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. Without limiting or expanding the provisions of Section 2.14, each Lender shall indemnify and hold harmless the Administrative Agent against, and shall make payable in respect thereof within 10 days after demand therefor, any and all Taxes and any and all related losses, claims, liabilities and expenses (including fees, charges and disbursements of any counsel for the Administrative Agent) incurred by or asserted against the Administrative Agent by the Internal Revenue Service or any other Governmental Authority as a result of the failure of the Administrative Agent to properly withhold Tax from amounts paid to or for the account of

such Lender for any reason (including, without limitation, because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding Tax ineffective). 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 this Agreement or any other Loan Document against any amount due the Administrative Agent under this Section 8.09. The agreements in this Section 8.09 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the commitments and the repayment, satisfaction or discharge of all other Obligations.

ARTICLE IX

Miscellaneous

SECTION 9.01 Notices.

(a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy) (unless otherwise specifically permitted in this Agreement), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy or telephone notice, when received, addressed as follows in the case of the Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Borrower: IAC/InterActive Corp
555 West 18th Street
New York, NY 10011
Chief Financial Officer
Telephone: (212) 314-7227
Fax: (212) 632-9529

With a copy to: IAC/InterActive Corp
555 West 18th Street
New York, NY 10011
General Counsel
Telephone: (212) 314-7376
Fax: (212) 632-9551

Administrative Agent: JPMorgan Chase Bank, N.A.
500 Stanton Christiana Road
Ops Building 2, 3rd Floor
Newark, DE 19713-2107
Jessie Qian Jiang
Telephone: (302) 634-2426
Fax: (302) 634-1417

and

J.P. Morgan Europe Limited
Loans Agency, 6th floor
25 Bank Street, Canary Wharf
London E145JP
United Kingdom

Attention: Loans Agency
Telephone: +44 20 7134 8188
Fax: +44 20 7777 2360

With a copy to:

JPMorgan Chase Bank, N.A.
383 Madison Avenue
New York, New York 10179
Attention: Donatus Anusionwu
Telephone: (212) 622-0531
Fax: (917) 270-5127

(b) Notices, financial statements and similar deliveries and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent (including by posting on IntraLinks); provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent 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.

SECTION 9.02 Waivers; Amendments.

(a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder 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 a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (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 shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Revolving Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Revolving Commitment, without the written consent of each Lender directly affected thereby, (iv) change Section 2.15 in a manner that would alter the pro rata distribution or sharing of payments required thereby or any provision requiring the pro rata funding of Loans, without the written consent of each Lender, (v) except as provided in Sections 5.10 or 9.16, release all or substantially all of the Collateral securing the Revolving Facility without the written consent of each Lender, (v) change any of the provisions of this Section or the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender or (vi) change the definition of "Alternative Currency," without the written consent of each Lender; provided, further, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or any Issuing Bank hereunder without the prior written consent of the Administrative Agent or such Issuing Bank, as the case may be.

SECTION 9.03 Waivers; Amendments to Other Loan Documents.

(a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power under the Subsidiary Guarantee or the Pledge Agreement 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 a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders under the Subsidiary Guarantee and the Pledge Agreement are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of the Subsidiary Guarantee or the Pledge Agreement or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (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.

(b) Neither the Subsidiary Guarantee, the Pledge Agreement nor any provision thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by each affected Loan Party and, except in the case of amendments to the Pledge Agreement described in Section 7.1(b) thereof, the Required Lenders or by the affected Loan Party and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) release all or substantially all of the Collateral (except as provided in Section 5.10 or 9.16), (ii) release all or substantially all of the Material Domestic Subsidiaries as Subsidiary Guarantors (except as provided in Section 9.16), (iii) modify the “waterfall” provision set forth in Section 5.3 of the Pledge Agreement or (iv) change any of the provisions of this Section, in each case without the written consent of each Lender; provided, further, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Collateral Agent under the Subsidiary Guarantee or the Pledge Agreement without the prior written consent of the Collateral Agent.

(c) Without the consent of any Lender, the Loan Parties and the Administrative Agent and the Collateral Agent may (in their respective sole discretion, or shall, to the extent required by any Loan Document) enter into any amendment, modification, supplement or waiver of any Loan Document, or enter into any new agreement or instrument, to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, and to give effect to any intercreditor agreement reasonably satisfactory to the Administrative Agent associated therewith, or as required by local law to give effect to, or protect, any security interest for the benefit of the Secured Parties in any property or so that the security interests therein comply with applicable law or this Agreement or in each case to otherwise enhance the rights or benefits of any Lender under any Loan Document.

SECTION 9.04 Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent, the Lead Arrangers and their respective Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent and the Lead Arrangers, in connection with the syndication of the Revolving Facility and the preparation, execution, delivery and administration of this Agreement or any other Loan Document or any amendments, modifications or waivers of the provisions hereof or thereof and (ii) all reasonable out-of-pocket expenses incurred by the Administrative Agent and the Lenders, including the fees, charges and disbursements of one firm of counsel for the Administrative Agent and the Lenders taken as a whole (and in the case of an actual or perceived conflict of interest, one additional counsel to all such affected Persons, taken as a whole), and to the extent required, one firm of local counsel in each relevant jurisdiction (which may include a single special counsel acting in multiple jurisdictions) and one firm of regulatory counsel, in connection with the enforcement or protection of its rights in connection with the Original Credit Agreement, this Agreement or any other Loan Document, including their rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Borrower shall indemnify the Administrative Agent, the Lead Arrangers and each Lender, 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 or invoiced out-of-pocket fees, expenses, disbursements and other charges of one firm of counsel for all Indemnitees, taken as a whole (and, in the case of an actual or perceived conflict of interest where the Indemnitee affected by such conflict notifies the Borrower of any existence of such conflict and in connection with the investigating or defending any of the foregoing has retained its own counsel, of another firm of counsel for such affected Indemnitee), and to the extent required, one firm or local counsel in each relevant jurisdiction) and one firm of regulatory counsel of any such Indemnitee, arising out of, in connection with, or as a result of (i) the execution or delivery of the Original Credit Agreement, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties to this Agreement or any other Loan Document of their respective obligations hereunder or thereunder or the consummation of the Transactions or any other transactions contemplated hereby or thereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Restricted Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Restricted Subsidiaries, (iv) any civil penalty or fine assessed by OFAC against, and all reasonable costs and expenses (including counsel fees and disbursements) incurred in connection with defense thereof, by the Administrative Agent or any Lender as a result of conduct of the Borrower that violates a sanction enforced by OFAC or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto or whether or not such action, claim, litigation or proceeding was brought by the Borrower, its equity holders, affiliates or creditors or any other third person; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (i) are determined by a court of competent jurisdiction in a final and nonappealable judgment to have resulted from the gross negligence, willful misconduct or bad faith of such Indemnitee (or that of any of its respective subsidiaries or any of their respective officers, directors, employees or members), (ii) are determined by a court of competent jurisdiction in a final and nonappealable judgment to have resulted from a material breach of this Agreement by such Indemnitee or (iii) do not involve or arise from an act or omission by the Borrower or its subsidiaries or any of their respective affiliates, partners, directors, officers, employees, agents, advisors or other representatives and is brought by an Indemnitee solely against one or more other Indemnitees (other than claims against any Agent or any Lead Arranger in its capacity as such or in its fulfilling such role). Each Indemnitee shall give prompt notice to the Borrower of any claim that may give rise to a claim against the Borrower hereunder and shall consult with the Borrower in the conduct of such Indemnitee's legal defense of such claim; provided, however, that an Indemnitee's failure to give such prompt notice to the Borrower or to seek such consultation with the Borrower shall not constitute a defense to any claim for indemnification by such Indemnitee unless, and only to the extent that, such failure materially prejudices the Borrower.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent such Lender's Total Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

(d) To the extent permitted by applicable law, the parties shall not assert, and each hereby waives, any claim against any other party, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of the proceeds thereof; provided that nothing in this clause (d) is intended to relieve the Borrower of any obligation it may otherwise have to indemnify any Indemnitee against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(e) All amounts due under this Section shall be payable within ten (10) Business Days after written demand therefor.

SECTION 9.05 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 (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. 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 paragraph (c) 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) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more financial institutions (“assignee” or “assignees”) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Revolving Commitments and the Loans at the time owing to it) with the prior written consent of:

(A) the Borrower (such consent not to be unreasonably withheld or delayed, except for any bona fide competitors of the Borrower and its subsidiaries); provided that no consent of the Borrower shall be required for an assignment (x) to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee (except for any bona fide competitor of the Borrower and its subsidiaries) or (y) prior to the earlier of (i) the completion of the primary syndication of the Revolving Commitments following the Amendment Effective Date as notified by to the Borrower by the Lead Arrangers or (ii) October 15, 2015; provided, further, that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice of the proposed assignment;

(B) the Administrative Agent (such consent not to be unreasonably withheld), provided that no consent of the Administrative Agent shall be required for an assignment of any Revolving Commitment or Loan to an assignee that is a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) each Issuing Bank.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender’s Revolving Commitment or Loans of any Class, the amount of the Revolving Commitments or Loans 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) shall not be less than \$10,000,000 (or in the case of a Loan in an Alternative Currency, an appropriate corresponding amount as shall be consented to by the Administrative Agent (such consent not be unreasonable withheld)), unless each of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred and is continuing;

(B) 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, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender’s rights and obligations in respect of its Revolving Commitments or Revolving Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 (which fee is hereby waived for any assignment to which J.P. Morgan Chase Bank, N.A. or any of its Affiliates is a party);

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire;

(E) on the date of such assignment, the assignee of a Revolving Commitment must be able to fund Revolving Loans in all Alternative Currencies; and

(F) the assignee shall not be a natural person.

For the purposes of this Section 9.05(b), the term “Approved Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto 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 2.12, 2.13, 2.14 and 9.04). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.05 shall be null and void.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices 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 Revolving Commitments of, and principal amount (and related interest) of the Loans 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, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender (with respect to such Lender’s own interest only), at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption with respect to a permitted assignment executed by an assigning Lender and an assignee, the assignee’s completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section (unless waived), and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks, institutions or other entities (a “Participant”) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Revolving Commitments and the Loans owing to it); provided that (A) such Lender’s obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent 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 and the other Loan Documents. 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 the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement and the other Loan Documents; 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 described in the first proviso to Section 9.02(b) or the first proviso to Section 9.03(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that

each Participant shall be entitled to the benefits of Sections 2.12, 2.13 and 2.14 (subject to the requirements and limitations of such Sections; provided that any documentation required to be provided pursuant to Section 2.14(e) shall be provided solely to the participating Lender) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and related interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary in connection with a Tax audit or other proceeding or other governmental inquiry to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and the parties hereto 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.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.12 or 2.14 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant.

(d) 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 or other applicable central bank that governs or regulates the activities of such Lender, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.06 Survival. All covenants, agreements, representations and warranties made by any Loan Parties herein, in the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or the other Loan Documents 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, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent 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 and so long as the Revolving Commitments have not expired or terminated. The provisions of Sections 2.12, 2.13, 2.14 and 9.04 and Article VIII 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 Revolving Commitments, any assignment of rights by or replacement of a Lender or the termination of this Agreement or any provision hereof.

SECTION 9.07 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or the Lead Arranger constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. This Agreement shall become effective as provided in Section 4.03, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by email or telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 9.08 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 9.09 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have. Each Lender agrees to notify the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 9.10 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 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 governed by and construed in accordance with the law of the State of New York.

(b) The Borrower and each other Loan Party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Administrative Agent, any Lender, any Issuing Bank, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal 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, any Lender or any Issuing Bank may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against the Borrower or any other Loan Party or their respective properties in the courts of any jurisdiction.

(c) The Borrower and each other Loan Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or the other Loan Documents in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(p) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.11 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY 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 OR RELATING TO THIS AGREEMENT, THE OTHER LOAN DOCUMENTS 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 TO IT, 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 DOCUMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.12 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.13 Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory or self-regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower, (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or an agreement described in clause (f) hereof or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower or (i) on a confidential basis to (x) any rating agency in connection with rating the Borrower or any of its subsidiaries or the Loans hereunder, (y) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the facilities or (z) market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent in connection with the administration and management of this Agreement and the other Loan Documents. For the purposes of this Section, "Information" means all information received from the Borrower or its Affiliates relating to the Borrower, its subsidiaries or their businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower or its Affiliates. Any Person required to maintain the confidentiality of Information as provided 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 reasonably accord to its own confidential information.

Each Lender acknowledges that information furnished to it pursuant to this Agreement or the other Loan Documents may include material non-public information concerning the Borrower and its Affiliates and their related parties or their respective securities, and confirms that it has developed compliance procedures regarding the use of material non-public information and that it will handle such material non-public information in accordance with those procedures and applicable law, including Federal and state securities laws.

All information, including requests for waivers and amendments, furnished by the Borrower or the Administrative Agent pursuant to, or in the course of administering, this Agreement or the other Loan Documents will be syndicate-level information, which may contain material non-public information about the Borrower and its Affiliates and their related parties or their respective securities. Accordingly, each Lender represents to the Borrower and the Administrative Agent that it has identified in its administrative questionnaire a credit contact who may receive information that may contain material non-public information in accordance with its compliance procedures and applicable law, including Federal and state securities laws.

SECTION 9.14 Judgment Currency. If, for the purposes of obtaining judgment or filing a claim in any court, it is necessary to convert a sum due hereunder or claim in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is

given. The obligation of the Borrower in respect of any such sum due from it to the Administrative Agent or the Lenders hereunder shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent from the Borrower in the Agreement Currency, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or the Person to whom such obligation was owing against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent in such currency, the Administrative Agent agrees to return the amount of any excess to the Borrower (or to any other Person who may be entitled thereto under applicable law).

SECTION 9.15 USA PATRIOT Act. Each Lender subject to the Act hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is hereby required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

SECTION 9.16 Collateral and Guarantee Matters.

(a) The Lenders irrevocably authorize the Administrative Agent to enter into any customary intercreditor agreement (including the Pari Passu Intercreditor Agreement) or arrangement in form and substance reasonably satisfactory to the Administrative Agent with the holders of any Pari Passu Indebtedness (or any agent thereof) permitted under this Agreement that in the good faith determination of the Administrative Agent is necessary to effectuate the incurrence of such Indebtedness.

(b) Any Lien on any property granted to or held by the Administrative Agent under any Loan Document shall be automatically released (i) upon all of the Obligations (other than (x) (i) Cash Management Obligations and (ii) Obligations under Specified Swap Agreements not yet due and payable, and (y) contingent obligations not yet accrued and payable) having been paid in full, all Letters of Credit having been cash collateralized or otherwise back-stopped (including by "grandfathering" into any future credit facilities), in each case, on terms reasonably satisfactory to the relevant Issuing Bank in its sole discretion, or having expired or having been terminated, and the Total Revolving Commitments having expired or having been terminated, (ii) that is Disposed of or to be Disposed of as part of or in connection with any Disposition not prohibited hereunder or under any other Loan Document to any Person other than a Loan Party, (iii) subject to Section 9.02, if approved, authorized or ratified in writing by the Required Lenders, (iv) owned by a Subsidiary Guarantor upon (or substantially simultaneously with) release of such Subsidiary Guarantor from its obligations under its Subsidiary Guarantee pursuant to clause (c) below, (v) as expressly provided in the Collateral Documents, (vi) in connection with a Collateral Suspension Period or (vii) on the Amendment Effective Date to the extent constituting Collateral pledged by any member of the Match Group (it being understood that such Collateral shall be re-pledged to the Administrative Agent for the benefit of the Secured Parties to the extent required by Section 5.09(c)).

(c) Any Subsidiary Guarantor shall automatically be released from its obligations under the Subsidiary Guarantee (i) in the event of dissolution of such Person, (ii) if such Person is designated as an Unrestricted Subsidiary or otherwise ceases to be a Restricted Subsidiary, in each case in accordance with the provisions of this Agreement, upon (or substantially simultaneously with) effectiveness of such designation or when it first ceases to be a Restricted Subsidiary, respectively, (iii) if the obligations under this Agreement are discharged in accordance with the terms of this Agreement or (iv) as otherwise expressly provided in the Subsidiary Guarantee; provided that no such release shall occur with respect to an entity that ceases to be a Restricted Subsidiary if such Subsidiary Guarantor continues to be a guarantor in respect of any Pari Passu Indebtedness unless and until such guarantor is (or is being substantially simultaneously) released from its guarantee with respect to such Pari Passu Indebtedness.

(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, release any Subsidiary Guarantor from its obligations under the Subsidiary Guarantee, or enter into an intercreditor agreement pursuant to this Section 9.16. In each case as specified in this Section 9.16, the Administrative Agent will, at the Loan Parties' expense, 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 assignment and security interest granted under the Collateral Documents, or to release such Subsidiary Guarantor from its obligations under the Subsidiary Guarantee, in each case in accordance with the terms of the Loan Documents and this Section 9.16.

SECTION 9.17 No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby, the Borrower acknowledges and agrees for itself and on behalf of the Loan Parties that (i) the Revolving Facility provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's-length commercial transaction between the Loan Parties, on the one hand, and the Agent Parties and the Lenders, on the other hand, and the Loan Parties are capable of evaluating and understanding and understand and accept the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, each of the Agent Parties and the Lenders is and has been acting solely as a principal and is not the agent or fiduciary for the Loan Parties; (iii) the Lead Arrangers, Agent Parties and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from, and may conflict with, those of the Borrower and its Affiliates, and none of the Lead Arrangers or the Agent Parties has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (iv) the Agent Parties and the Lenders have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and the Loan Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent they have deemed appropriate.

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.

IAC/INTERACTIVECORP

By: /s/ NICK STOUMPAS

Name: Nick Stoumpas

Title: Senior Vice President & Treasurer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent (including as Collateral Agent) and a Lender

By: /s/ DONATUS O. ANUSIONWU
Name: Donatus O. Anusionwu
Title: Vice President

GOLDMAN SACHS BANK USA, as a Lender

By: /s/ REBECCA KRATZ
Name: Rebecca Kratz
Title: Authorized Signatory

BANK OF AMERICA, N.A., as a Lender

By: /s/ MARIE F. HARRISON
Name: Marie F. Harrison
Title: Vice President

BNP PARIBAS, as a Lender

By: /s/ NICHOLAS RABIER

Name: Nicholas Rabier

Title: Managing Director

By: /s/ NICOLE RODRIGUEZ

Name: Nicole Rodriguez

Title: Director

PNC Bank, N.A., as a Lender

By: /s/ THOMAS BROWER
Name: Thomas Brower
Title: Senior Vice President

BMO Harris Bank, N.A. as a Lender

By: /s/ JOAN S. MURPHY
Name: Joan S. Murphy
Title: Director

FIFTH THIRD BANK, as a Lender

By: /s/ MICHAEL S. BARNETT
Name: Michael S. Barnett Title: Managing Director

Societe Generale, as a Lender

By: /s/ RICHARD BERNAL
Name: Richard Bernal
Title: Managing Director

By: /s/ YAO WANG
Name: Yao Wang
Title: Director

**IAC/InterActiveCorp Subsidiaries
As of December 31, 2015**

Entity	Jurisdiction of Formation
1040779 B.C. Ltd.	British Columbia
8831-8833 Sunset, LLC	Delaware
About Information Technology (Beijing) Co., Ltd.	People's Republic of China
About International	Cayman Islands
About, Inc.	Delaware
Amsel, LLC	Delaware
Apalon Apps LLC	Republic of Belarus
APN, LLC	Delaware
Aqua Acquisition Holdings LLC	Delaware
Ask Applications, Inc.	Delaware
Ask.fm Europe	Ireland
Big Breakfast, LLC	Delaware
Buzz Technologies, Inc.	Washington
Cameo Acquisition, LLC	Delaware
CH Pacific, LLC	Delaware
CityGrid Media, LLC	Delaware
CollegeHumor Press LLC	Maryland
Comedy News Ventures, Inc.	Delaware
Connect, LLC	Delaware
Connected Ventures, LLC	Delaware
ConsumerSearch, Inc.	Delaware
CraftJack Inc.	Illinois
CV Acquisition Corp.	Delaware
Daily Burn, Inc.	Delaware
DatingDirect.com Limited	United Kingdom
Delightful.com, LLC	Delaware
Diamant Production Services, LLC	Delaware
Diamond Dogs, LLC	Delaware
Dictionary.com, LLC	California
ECS Sports Fulfillment LLC	Delaware
Electus Productions, LLC	California
Electus, LLC	Delaware
ES1 Productions, LLC	Delaware
ES2 Productions, LLC	Delaware
Eureka SG Pte. Ltd.	Singapore
Eureka Taiwan	Taiwan
Eureka, Inc.	Japan
Failure to Appear Productions, LLC	Delaware
Falcon Holdings II, LLC	Delaware
Felix Calls, LLC	Delaware
Five Star Matchmaking Information Technology (Beijing) Co., Ltd.	People's Republic of China
FriendScout24 GmbH	Germany
GetAFive, Inc.	Delaware
Good Hang, LLC	Delaware
Hatch Labs, Inc.	Delaware
High Line Venture Partners Follow On Fund GP, LLC	Delaware
High Line Venture Partners Follow On Fund, L.P.	Delaware
High Line Venture Partners GP II, LLC	Delaware
High Line Venture Partners GP III, LLC	Delaware
High Line Venture Partners GP, LLC	Delaware

High Line Venture Partners II, L.P.	Delaware
High Line Venture Partners III, L.P.	Delaware
High Line Venture Partners, L.P.	Delaware
Higher Edge Marketing Services, Inc.	California
Home Industry Leadership Board	Colorado
HomeAdvisor B.V.	Netherlands
HomeAdvisor, Inc.	Delaware
HowAboutWe, LLC	Delaware
HSN Capital LLC	Delaware
HSN Home Shopping Network GmbH	Germany
HSN, LLC	Delaware
HTRF Ventures, LLC	Delaware
Humor Rainbow, Inc. d/b/a OKCupid	New York
IAC 19 th St. Holdings, LLC	Delaware
IAC Falcon Holdings, LLC	Delaware
IAC Family Foundation, Inc.	Delaware
IAC Search & Media (Canada) Inc.	Canada
IAC Search & Media B.V.	Netherlands
IAC Search & Media Brands Computer Technology Co., Ltd.	People's Republic of China
IAC Search & Media Brands, Inc.	California
IAC Search & Media Deutschland GmbH	Germany
IAC Search & Media Europe Limited	Ireland
IAC Search & Media Finance Co.	Cayman Islands
IAC Search & Media Hong Kong, Limited	Hong Kong
IAC Search & Media International, Inc.	Delaware
IAC Search & Media Massachusetts, Inc.	Massachusetts
IAC Search & Media Technologies Limited	Ireland
IAC Search & Media UK Limited	United Kingdom
IAC Search & Media Washington, LLC	Washington
IAC Search & Media, Inc.	Delaware
IAC Search Europe B.V.	Netherlands
IAC Search, LLC	Delaware
IAC Shopping International, Inc.	Delaware
IAC/Expedia Global, LLC	Delaware
IACF Developments LLC	Delaware
ImproveNet, Inc.	Delaware
INKD LLC	Delaware
Insider Pages, Inc.	Delaware
InstantAction, LLC	Delaware
InterActiveCorp Films, Inc.	Delaware
InterActiveCorp Films, LLC	Delaware
InterCaptiveCorp, Ltd.	Bermuda
Internet Shopping Network LLC	Delaware
Investopedia Canada, Inc.	Canada
Investopedia LLC	Delaware
iWon Points LLC	New York
La Centrale des Marchés Privés S.à r.l.	France
Life123, Inc.	Delaware
Lucky Morning Productions, LLC	Delaware
M8 Singlesnet LLC	Delaware
Maker Shack, LLC	California
Mash Dating, LLC	Delaware
Massive Media Europe NV	Belgium
Massive Media Limited	United Kingdom
Massive Media Match NV	Belgium
Match Financing, LLC	Delaware
Match Group, Inc.	Delaware
Match Group, LLC	Delaware

Match Internet Financial Services Designated Activity Company	Ireland
Match ProfilePro, LLC	Delaware
Match.com Canada Ltd.	Canada
Match.com Europe Limited	United Kingdom
Match.com Events LLC	Delaware
Match.com Foreign Holdings II Limited	England and Wales
Match.com Foreign Holdings III Limited	England and Wales
Match.com Foreign Holdings Limited	France
Match.com Global Investments SARL	Luxembourg
Match.com Global Services Limited	United Kingdom
Match.com HK Limited	Hong Kong
Match.com International Holdings, Inc.	Delaware
Match.com International II Limited	England and Wales
Match.com International Limited	United Kingdom
Match.com Investments, Inc.	Cayman Island
Match.com Japan KK	Japan
Match.com Japan Networks GK	Japan
Match.com LatAm Limited	United Kingdom
Match.com Luxembourg SARL	Luxembourg
Match.com Nordic AB	Sweden
Match.com Offshore Holdings, Ltd	Mauritius
Match.com Pegasus Limited	United Kingdom
Match.com, L.L.C.	Delaware
Matchcom Mexico, S. de R.L., de C.V.	Mexico
Meetic Espana, SLU	Spain
Meetic Italia SRL	Italy
Meetic Netherlands BV	Netherlands
Meetic SAS	France
Mhelpdesk, Inc.	Delaware
Mile High Insights, LLC	Delaware
Mindspark Interactive Network, Inc.	Delaware
MM LatAm, LLC	Delaware
Mojo Acquisition Corp.	Delaware
Mojo Finance Co.	Cayman Islands
Neu.de GmbH	Germany
Newsweek Philippines Inc.	Philippines
Nexus Limited	United Kingdom
Nice Little Day, LLC	Delaware
Notional, LLC	Delaware
NRelate LLC	Delaware
Parperfeito Comunicacao SA	Brazil
People Media, Inc.	Delaware
People Media, LLC	Arizona
Plentyoffish Media, Ltd.	British Columbia
Pricerunner Denmark ApS	Denmark
Pricerunner International AB	Sweden
Pricerunner SAS	France
Pricerunner Sweden AB	Sweden
Pricerunner, Ltd.	United Kingdom
Prize Matters, LLC	Delaware
Pronto, LLC	Delaware
Rebel Entertainment, Inc.	Delaware
Rio Bravo Productions, LLC	Delaware
Riviere Productions	California
Search Floor, Inc.	California
ServiceMagic Canada Inc.	Canada
ServiceMagic Europe S.à r.l.	Luxembourg
ServiceMagic GmbH	Germany

ServiceMagic International S.à r.l.	Luxembourg
ServiceMagic IP Ireland Limited	Ireland
ServiceMagic Limited	United Kingdom
Shanghai Huike Network Technology Co., Ltd.	People's Republic of China
Shoebuy.com, Inc.	Delaware
Shoptouch, Inc.	Delaware
SIA "Ask.fm"	Latvia
Slimware Utilities Holdings, Inc.	Delaware
Soulmates Technology Pty Ltd.	New South Wales Australia
SpeedDate.com, LLC	Delaware
Stage Four, LLC	Delaware
Starnet Interactive Ltd.	Israel
Starnet Interactive, Inc.	Delaware
Styleclick Chicago, Inc.	Delaware
Styleclick, Inc.	Delaware
Styleclick.com Enterprises Inc.	California
Targeted Media Solutions LLC	Delaware
TDB Holdings, Inc.	Delaware
The Daily Beast Company LLC	Delaware
The IAC Foundation, Inc.	Delaware
Tinder France	France
Tinder, Inc.	Delaware
TMC Realty, L.L.C.	Delaware
TPR Education Canada, ULC	Nova Scotia
TPR Education Holdings, Inc.	Delaware
TPR Education IP Holdings, LLC	Delaware
TPR Education Offshore Holdings LLC	Delaware
TPR Education Worldwide, LLC	Delaware
TPR Education, LLC d/b/a Princeton Review	Delaware
Tutor.com, Inc.	Delaware
USA Electronic Commerce Solutions LLC	Delaware
USA Video Distribution LLC	Delaware
USANi LLC	Delaware
USANi Sub LLC	Delaware
Vimeo, LLC	Delaware
Wanderspot LLC	Washington
Werkspot BV	Netherlands

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following registration statements (and any amendments thereto) of IAC/InterActiveCorp of our reports dated February 29, 2016, with respect to the consolidated financial statements and schedule of IAC/InterActiveCorp, and the effectiveness of internal control over financial reporting of IAC/InterActiveCorp, included in this Annual Report (Form 10-K) for the year ended December 31, 2015.

COMMISSION FILE NO.:

Form S-8, No. 333-127410
Form S-8, No. 333-127411
Form S-4, No. 333-124303
Form S-8, No. 333-146940
Form S-8, No. 333-154875
Form S-8, No. 333-174538
Form S-8, No. 333-192186

/s/ ERNST & YOUNG LLP

New York, New York
February 29, 2016

Certification

I, Barry Diller, certify that:

1. I have reviewed this report on Form 10-K for the fiscal year ended December 31, 2015 of IAC;
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 29, 2016

/s/ BARRY DILLER

Barry Diller

Chairman and Senior Executive

Certification

I, Joseph Levin, certify that:

1. I have reviewed this report on Form 10-K for the fiscal year ended December 31, 2015 of IAC;
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 29, 2016

/s/ JOSEPH LEVIN

Joseph Levin
Chief Executive Officer

Certification

I, Gregg Winiarski, certify that:

1. I have reviewed this report on Form 10-K for the fiscal year ended December 31, 2015 of IAC;
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 29, 2016

/s/ GREGG WINIARSKI

Gregg Winiarski
Executive Vice President, General Counsel & Secretary
Acting Principal Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Barry Diller, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

- (1) the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 of IAC/InterActiveCorp (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 IAC/InterActiveCorp.

Dated: February 29, 2016

/s/ BARRY DILLER

Barry Diller
Chairman and Senior Executive

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Joseph Levin, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

- (1) the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 of IAC/InterActiveCorp (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 IAC/InterActiveCorp.

Dated: February 29, 2016

/s/ JOSEPH LEVIN

Joseph Levin
Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gregg Winiarski, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

- (1) the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 of IAC/InterActiveCorp (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 IAC/InterActiveCorp.

Dated: February 29, 2016

/s/ GREGG WINIARSKI

Gregg Winiarski
*Executive Vice President, General Counsel & Secretary
Acting Principal Financial Officer*