

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

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **August 20, 2008**

**IAC/INTERACTIVE CORP**

(Exact name of registrant as specified in charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-20570**  
(Commission  
File Number)

**59-2712887**  
(IRS Employer  
Identification No.)

**555 West 18th Street, New York, NY**  
(Address of principal executive offices)

**10011**  
(Zip Code)

Registrant's telephone number, including area code: **(212) 314-7300**

(Former name or former address, if changed since last report)

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

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

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**ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.**

Following the close of The Nasdaq Stock Market on August 20, 2008, IAC/InterActiveCorp ("IAC") completed the spin-off (the "Spin-Off") of HSN, Inc. ("HSN"), Interval Leisure Group, Inc. ("ILG"), Ticketmaster and Tree.com, Inc. ("Tree.com," and collectively with HSN, ILG and Ticketmaster, the "Spincos") to IAC shareholders. Prior to the Spin-Off, each of the Spincos was a wholly-owned subsidiary of IAC. In connection with the Spin-Off, on August 20, 2008, IAC and the Spincos entered into the following agreements (collectively, the "Spin-Off Agreements"):

- a Separation and Distribution Agreement that sets forth the arrangements among IAC and each of the Spincos regarding the principal transactions necessary to separate each of the Spincos from IAC, and that governs certain aspects of the relationship of a Spinco with IAC and the other Spincos after the Spin-Off;
- a Tax Sharing Agreement that governs the respective rights, responsibilities and obligations of IAC and each Spinco after the Spin-Off with respect to tax periods ending on or before the Spin-Off, including tax liabilities and benefits, tax attributes, tax contests and other matters regarding income taxes, other taxes and related tax returns;
- an Employee Matters Agreement that covers a wide range of compensation and benefit issues, including the allocation among IAC and the Spincos of responsibility for the employment and benefit obligations and liabilities of each company's current and former employees (and their dependents and beneficiaries), as well as the provision of health and welfare benefits to employees of each Spinco (the costs of which will be borne by each Spinco) pursuant to IAC's employee benefit plans through the end of 2008; and
- a Transition Services Agreement that governs the provision of transition services among IAC and the Spincos.

The Spin-Off Agreements are filed as Exhibits 10.1, 10.2, 10.3 and 10.4 to this report on Form 8-K and a summary of the material terms of such agreements (which is qualified by reference in its entirety to the full text of the Spin-Off Agreements) is attached as Exhibit 99.1 to this report on Form 8-K and is incorporated herein by reference.

**ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS**

Item 1.01 of this report on Form 8-K is incorporated herein by reference. On August 20, 2008, IAC/InterActiveCorp ("IAC") completed the spin-off of HSN, Inc., Interval Leisure Group, Inc., Ticketmaster and Tree.com, Inc. to IAC shareholders. The unaudited pro forma financial statements of IAC

**ITEM 3.03. MATERIAL MODIFICATIONS TO RIGHTS OF SECURITY HOLDERS**

The text in Item 8.01 of this report on Form 8-K under the heading “Consummation of Notes Exchange and Cash Tender Offer; Amendments to Indenture” is incorporated herein by reference.

**ITEM 5.03. AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGE IN FISCAL YEAR.**

In connection with the Spin-Off and the related one-for-two reverse stock split effected immediately following the completion of the Spin-Off, on August 20, 2008, IAC amended its Restated Certificate of Incorporation to effect the one-for-two reverse stock split. The Certificate of Amendment of the Restated Certificate of Incorporation of IAC is filed as Exhibit 3.1 to this report on Form 8-K and is incorporated herein by reference.

**ITEM 8.01. OTHER EVENTS.**

**Adjustments to Publicly Traded Warrants**

IAC adjusted its publicly traded warrants to reflect the Spin-Off and one-for-two reverse stock split effected immediately following the completion of the Spin-Off in accordance with the appropriate adjustment provisions set forth in the applicable warrant agreements. The adjustments to the number of shares of IAC common stock underlying IAC’s publicly traded warrants (i) were based on (A) \$17.71 (the average of the daily closing prices of IAC common stock in the “regular way” market for the period commencing on July 28, 2008 and ending on August 8, 2008 (the ten (10) consecutive trading days immediately preceding August 11, 2008, the record date for the Spin-Off)), and (B) the closing price of common stock of each of HSN, ILG, Ticketmaster and Tree.com (\$12.61, \$14.12, \$21.64 and \$7.42) in the “when-issued” market on August 20, 2008, multiplied by the fraction of a share of each such Spinco issued in respect of one share of IAC common stock or Class B common stock and (ii) reflect the one-for-two reverse stock split.

As a result of these adjustments, each warrant that trades on The Nasdaq Stock Market under the ticker symbol “IACIW” now entitles its holder to purchase 0.568454 of a share of IAC common stock at an exercise price of \$19.49 per warrant and each warrant that trades on The Nasdaq Stock Market under the ticker symbol “IACIZ” now entitles its holder to purchase 1.102090 shares of IAC common stock at an exercise price of \$14.44 per warrant. With respect to warrants that are not publicly traded, IAC will provide written notice of actual adjustments to holders of those securities following the completion of the Spin-Off.

**Consummation of Notes Exchange and Cash Tender Offer; Amendments to Indenture**

As previously announced, on July 17, 2008, IAC and Interval Acquisition Corp. (“Interval”), which at the time was a wholly-owned subsidiary of IAC, entered into a Notes Exchange and Consent Agreement (the “Notes Exchange Agreement”) with certain institutional holders (the “Noteholders”) of IAC’s 7% Senior Notes due 2013 (the “IAC Notes”) unaffiliated with IAC that then held in excess of a majority in aggregate principal amount of the then outstanding IAC Notes. Under the Notes Exchange Agreement, subject to the terms and conditions of the Notes Exchange Agreement, IAC agreed to exchange (the “Exchange”) \$300 million in aggregate principal amount of new 9.5% senior unsecured notes due 2016 (the “Interval Senior Notes”) to be issued by Interval to IAC for a portion of the IAC Notes held by certain of the Noteholders (the “Exchanging Noteholders”).

Prior to the spin-off of ILG (the “Interval Spin-Off”), Interval issued the Interval Senior Notes to IAC and thereafter became a wholly-owned subsidiary of ILG. IAC exchanged the Interval Senior Notes for certain IAC Notes held by the Exchanging Noteholders immediately after the Interval Spin-Off. Additionally, in conjunction with the Exchange, IAC agreed in the Notes Exchange Agreement to amend the terms of IAC’s then pending cash tender offer for any and all of the IAC Notes (the “Tender Offer”), as previously disclosed, so as to increase the price offered for any IAC Notes tendered for cash pursuant to the Tender Offer. The issuance and exchange of the Interval Senior Notes, together with the amended Tender Offer, were made in connection with the Interval Spin-Off, and were intended to give rise to a succession event (with Interval as the sole successor to IAC) for credit derivatives purposes.

On August 20, 2008, following the Interval Spin-Off, IAC accepted for payment all IAC Notes validly tendered in the amended Tender Offer and consummated the purchase of IAC Notes pursuant to the amended Tender Offer and the Exchange. The following table sets forth the change, on a pro forma basis, in the amount of Total Obligations of IAC outstanding immediately following the consummation of the Interval Spin-Off, the purchase of IAC Notes pursuant to the amended Tender Offer and the Exchange (collectively, the “Transactions”), as compared to the amount of Total Obligations outstanding on the day preceding consummation of the Transactions:

(in \$ millions)	IAC Total Obligations Before the Transactions	Principal Amount of IAC Total Obligations Exchanged for Interval Senior Notes	Principal Amount of IAC Total Obligations Tendered Pursuant to the Amended Tender Offer	IAC Total Obligations Outstanding Immediately Following the Transactions(2)
<b>IAC 7% Senior Notes due 2013</b>	750	277.4	456.7	15.9
<b>Other:</b>	80	0	0	80
<b>Total:</b>	830	277.4	456.7	95.9



for the years ended December 31, 2007 and 2006.

99.4 Opinion of Wachtell, Lipton, Rosen & Katz.

**CERTIFICATE OF AMENDMENT OF  
THE RESTATED CERTIFICATE OF INCORPORATION OF  
IAC/INTERACTIVECORP**

Pursuant to Section 242 of the General Corporation Law of the State of Delaware, IAC/InterActiveCorp, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Corporation duly adopted resolutions proposing and declaring advisable the following amendment to the Restated Certificate of Incorporation of the Corporation:

Article IV is hereby amended by adding the following new Paragraph E at the end thereof:

E. REVERSE STOCK SPLIT

(1) Upon this amendment becoming effective (the "Effective Time"), a one-for-two reverse stock split of each of the par value \$0.001 Common Stock ("Old Common Stock") and the par value \$0.001 Class B Common Stock ("Old Class B Common Stock") shall become effective, such that (a) every two (2) shares of \$0.001 par value Old Common Stock of the Corporation either issued and outstanding or held by the Corporation as treasury stock immediately prior to the Effective Time, will be automatically reclassified and combined into one (1) share of \$0.001 par value Common Stock of the Corporation, and (b) every two (2) shares of \$0.001 par value Old Class B Common Stock of the Corporation either issued and outstanding or held by the Corporation as treasury stock immediately prior to the Effective Time, will be automatically reclassified and combined into one (1) share of \$0.001 par value Class B Common Stock of the Corporation.

(2) Each stock certificate that, immediately prior to the Effective Time, represented shares of Old Common Stock or Old Class B Common Stock, as applicable, shall, from and after the Effective Time, automatically and without the necessity of presenting the same for exchange, represent that number of whole shares of Common Stock or Class B Common Stock, as applicable, into which the shares of Old Common Stock or Old Class B Common Stock, as applicable, represented by such certificate shall have been reclassified, provided, however, that each holder of record of a certificate that represented shares of Old Common Stock or Old Class B Common Stock, as applicable, shall receive, upon surrender of such certificate, a new certificate representing the number of whole shares of Common Stock or Class B Common Stock, as applicable, into which the shares of Old Common Stock or Old Class B Common Stock represented by such certificate shall have been reclassified.

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SECOND: That at the annual meeting of stockholders held on August 1, 2008 called in accordance with the relevant provisions of the General Corporation Law of the State of Delaware, the holders of a majority of the voting power of the outstanding shares of capital stock of the Corporation voted in favor of such amendment.

THIRD: That said amendment was duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That said amendment shall become effective at 4:02 p.m., Eastern Daylight Time, on August 20, 2008.

[signature appears on next page]

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IN WITNESS WHEREOF, said Corporation has caused this certificate to be signed by Joanne Hawkins, its Senior Vice President, this 20<sup>th</sup> day of August, 2008.

IAC/INTERACTIVECORP

By: /s/ Joanne Hawkins  
Name: Joanne Hawkins  
Title: Senior Vice President



## SEPARATION AND DISTRIBUTION AGREEMENT

by and among

IAC/INTERACTIVECORP,

HSN, INC.,

INTERVAL LEISURE GROUP, INC.,

TICKETMASTER

and

TREE.COM, INC.

DATED AS OF AUGUST 20, 2008

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## SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT, dated as of AUGUST 20, 2008, is entered into by and among IAC/InterActiveCorp, a Delaware corporation (“IAC”), HSN, Inc., a Delaware corporation and wholly owned subsidiary of IAC (“HSN Spinco”), Interval Leisure Group, Inc., a Delaware corporation and wholly owned subsidiary of IAC (“Interval Spinco”), Ticketmaster, a Delaware corporation and wholly owned subsidiary of IAC (“TM Spinco”), and Tree.com, Inc., a Delaware corporation and wholly owned subsidiary of IAC (“Tree Spinco”; together with TM Spinco, Interval Spinco and HSN Spinco, the “Spincos”; the Spincos and IAC, collectively, the “Separate-cos” or “Parties”).

### RECITALS:



WHEREAS, IAC, acting through its direct and indirect Subsidiaries, currently conducts a number of businesses, including (i) the Ticketing Business (as defined herein), (ii) the Vacations Business (as defined herein), (iii) the Retailing Business (as defined herein), (iv) the Lending and Real Estate Business (as defined herein) (together with the Ticketing Business, the Vacations Business and the Retailing Business, the “Spun Businesses”) and (v) the Remaining Business (as defined herein);

WHEREAS, the Board of Directors of IAC (the “IAC Board”) has determined that it is appropriate, desirable and in the best interests of IAC and its stockholders to separate IAC into five publicly-traded companies (the “Separation”): (i) TM Spinco, which following the Separation will own and conduct, directly or indirectly, the Ticketing Business, (ii) Interval Spinco, which following the Separation will own and conduct, directly or indirectly, the Vacations Business, (iii) HSN Spinco, which following the Separation will own and conduct, directly or indirectly, the Retailing Business, (iv) Tree Spinco, which following the Separation will own and conduct, directly or indirectly, the Lending and Real Estate Business, and (v) IAC, which following the Separation will own and conduct, directly or indirectly, the Remaining Business;

WHEREAS, following the merger on August 8, 2008 of a wholly owned subsidiary of IAC with and into IAC, the outstanding shares of capital stock of IAC consist solely of common stock, par value \$0.001 per share, of IAC (“IAC Common Stock”) and Class B common stock, par value \$0.001 per share, of IAC (“IAC Class B Common Stock”);

WHEREAS, in order to effect the Separation, the IAC Board has determined that it is appropriate, desirable and in the best interests of IAC and its stockholders: (i) for IAC and its Subsidiaries to enter into a series of transactions as set forth in the Transactions Memorandum dated of even date herewith (the “Transactions Memo”) as a result of which one or more members of each Group (as defined herein) will, collectively, own all of such Group’s Corresponding Assets (as defined herein) and assume (or retain) all of such Group’s Corresponding Liabilities (as defined herein); and, thereafter (ii) for IAC to distribute to the holders of IAC Common Stock and the holders of IAC Class B Common Stock (in each case without consideration being paid by such stockholders), on a pro rata basis, all of the issued and

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outstanding shares of Spinco Common Stock (as defined herein) of each Spinco;

WHEREAS, each of the Separate-cos has determined that it is necessary and desirable, on or prior to the Effective Time (as defined herein), to allocate and transfer to the applicable Group those Assets, and to allocate and assign to the applicable Group responsibility for those Liabilities, in respect of the activities of the Corresponding Businesses (as defined herein) of such Group;

WHEREAS, it is the intention of the Parties that each of the Distributions (as defined herein) qualify as a transaction that is generally tax free for United States federal income tax purposes under Sections 355 and/or 368(a)(1)(D) of the Internal Revenue Code of 1986, as amended (the “Code”);

WHEREAS, in connection with the Distributions, each of HSN Spinco and/or its Subsidiaries, Interval Spinco and/or its Subsidiaries and TM Spinco and/or its Subsidiaries will, subject to the terms and provisions of this Agreement, enter into separate credit facilities and/or issue new debt securities, all or a portion of the cash proceeds of borrowings under which shall be distributed to IAC;

WHEREAS, (a) IAC has entered into an agreement with certain holders of its 7% Senior Notes due 2013 (the “IAC Notes”) providing for, among other things, (i) IAC to exchange (the “Exchange”) new 9.5% Senior Notes due 2016 of Interval Acquisition Corp. (as defined herein) that it will receive from Interval Acquisition Corp. as set forth in the Transactions Memorandum (the “Interval Senior Notes”) and (ii) the simultaneous closing of the Exchange and the cash tender offer being made by IAC for any and all of the outstanding IAC Notes (the “IAC Notes Tender Offer”) and (b) it is intended that the issuance of the Interval Senior Notes to IAC and the Exchange, together with the IAC Notes Tender Offer, are in connection with the Interval Distribution and are intended to give rise to a succession event (with Interval as the sole successor to IAC) for credit derivatives purposes; and

WHEREAS, the Parties wish to set forth in this Agreement the terms on which, and the conditions subject to which, they intend to implement the measures described above.

NOW THEREFORE, in consideration of the mutual agreements, covenants and other provisions set forth in this Agreement, the Parties hereby agree as follows:

## ARTICLE I INTERPRETATION

1.01. Definitions. The capitalized words and expressions and variations thereof used in this Agreement or in its schedules, unless a clearly inconsistent meaning is required under the context, shall have the meanings set forth below:

“2008 Internal Control Audit and Management Assessments” has the meaning set forth in Section 11.01(b).

“AAA” has the meaning set forth in Section 9.03.

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“Accounts Receivable” means in respect of any Person, (a) all trade accounts and notes receivable and other rights to payment from customers and all security for such accounts or rights to payment, including all trade accounts receivable representing amounts receivable in respect of goods shipped or products sold or otherwise disposed of or services rendered to customers, (b) all other accounts and notes receivable and all security for such accounts or notes, and (c) any claim, remedy or other right relating to any of the foregoing.

“Action” means any demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation by any Person or any Governmental Authority or before any Governmental Authority or any arbitration or mediation tribunal.

“Affiliate” of any Person means any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such first Person as of the date on which or at any time during the period for when such determination is being made. For purposes of this definition, “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract or otherwise, and the terms “Controlling” and “Controlled” have meanings correlative to the foregoing.

“Agent” has the meaning set forth in Section 5.02(b).

“Agreement” means this Separation and Distribution Agreement, including all of the Schedules hereto.

“Ancillary Agreements” has the meaning set forth in Section 2.13.

“Applicable Law” means any applicable law, statute, rule or regulation of any Governmental Authority or any outstanding order, judgment, injunction, ruling or decree by any Governmental Authority.

“Appurtenances” means, in respect of any Land, all privileges, rights, easements, servitudes, hereditaments and appurtenances and similar interests belonging to or for the benefit of such Land, including all easements and servitudes appurtenant to and for the benefit of any Land (a “Dominant Parcel”) for, and as the primary means of, access between, the Dominant Parcel and a public way, or for any other use upon which lawful use of the Dominant Parcel for the purposes for which it is presently being used is dependent, and all rights existing in and to any streets, alleys, passages and other rights-of-way included therein or adjacent thereto.

“Asset-Related Claims” means, in respect of any Asset, all claims of the owner against Third Parties relating to such Asset, whether choate or inchoate, known or unknown, absolute or contingent, disclosed or non-disclosed.

“Assets” means assets, properties and rights (including goodwill), wherever located (including in the possession of owners or Third Parties or elsewhere), whether real, personal or mixed, tangible or intangible, movable or immovable, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of a Person, including the following:

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- (a) Real Property;
- (b) Tangible Personal Property;
- (c) Inventories;
- (d) Accounts Receivable;
- (e) Contractual Assets;
- (f) Governmental Authorizations;
- (g) Business Records;
- (h) Intangible Property Rights;
- (i) Insurance Benefits;
- (j) Asset-Related Claims; and
- (k) Deposit Rights.

“Authorized Auditor” has the meaning set forth in Section 11.01(c)(i).

“Authorizing Spinco” has the meaning set forth in Section 11.01(c)(i).

“Business Concern” means any corporation, company, limited liability company, partnership, joint venture, trust, unincorporated association or any other form of association.

“Business Day” means any day excluding (a) Saturday, Sunday and any other day which, in New York City is a legal holiday or (b) a day on which banks are authorized by Applicable Law to close in New York City.

“Business Records” means, in respect of any Person, all data and Records relating to such Person, including client and customer lists and Records, referral sources, research and development reports and Records, cost information, sales and pricing data, customer prospect lists, customer and vendor data, production reports and Records, service and warranty Records, equipment logs, operating guides and manuals, financial and accounting Records, personnel Records (subject to Applicable Law), creative materials, advertising materials, promotional materials, studies, reports, correspondence and other similar documents and records.

“Claim Notice” has the meaning set forth in Section 6.04(b).

“Claimant Party” has the meaning set forth in Section 9.02(a).

“Code” has the meaning set forth in the recitals hereto.

“Confidential Information” has the meaning set forth in Section 8.07(a).

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“Consent” means any approval, consent, ratification, waiver or other authorization.

“Contract” means any contract, agreement, lease, purchase and/or commitment, license, consensual obligation, promise or undertaking (whether written or oral and whether express or implied) that is legally binding on any Person or any part of its property under Applicable Law, including all claims or rights against any Person, choses in action and similar rights, whether accrued or contingent with respect to any such contract, agreement, lease, purchase and/or commitment, license, consensual obligation, promise or undertaking, but excluding this Agreement and any Ancillary Agreement save as otherwise expressly provided in this Agreement or in any Ancillary Agreement.

“Contractual Asset” means, in respect of any Person, any Contract of, or relating to, such Person, any outstanding offer or solicitation made by, or to, such Person to enter into any Contract, and any promise or undertaking made by any other Person to such Person, whether or not legally binding.

“Corresponding Annual Report” has the meaning set forth in Section 11.01(d).

“Corresponding Assets” (a) with respect to HSN Spinco, any HSN Entity or the HSN Group, means the HSN Assets, (b) with respect to Interval Spinco, any Interval Entity or the Interval Group, means the Interval Assets, (c) with respect to TM Spinco, any TM Entity or the TM Group, means the TM Assets, (d) with respect to Tree Spinco, any Tree Entity or the Tree Group, means the Tree Assets and (e) with respect to IAC or the IAC Group, means the Retained Assets.

“Corresponding Business” (a) with respect to HSN Spinco, any HSN Entity or the HSN Group, means the Retailing Business, (b) with respect to Interval Spinco, any Interval Entity or the Interval Group, means the Vacations Business, (c) with respect to TM Spinco, any TM Entity or the TM Group, means the Ticketing Business, (d) with respect to Tree Spinco, any Tree Entity or the Tree Group, means the Lending and Real Estate Business and (e) with respect to IAC or the IAC Group, means the Remaining Business.

“Corresponding Distribution Ratio” (i) with respect to HSN Spinco, means the HSN Distribution Ratio, (ii) with respect to Interval Spinco, means the Interval Distribution Ratio, (iii) with respect to TM Spinco, means the TM Distribution Ratio and (iv) with respect to Tree Spinco, means the Tree Distribution Ratio.

“Corresponding Escrow Shares” has the meaning set forth in Section 4.03.

“Corresponding Group” (a) with respect to the Retailing Business, HSN Spinco or any HSN Entity, means the HSN Group, (b) with respect to the Vacations Business, Interval Spinco or any Interval Entity, means the Interval Group, (c) with respect to the Ticketing Business, TM Spinco or any TM Entity, means the TM Group, (d) with respect to the Lending and Real Estate Business, Tree Spinco or any Tree Entity, means the Tree Group and (e) with respect to the Remaining Business, IAC or any Remaining IAC Entity, means the IAC Group.

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“Corresponding Group Balance Sheet” (a) with respect to the Retailing Business, HSN Spinco, any HSN Entity or the HSN Group, means the HSN Group Balance Sheet, (b) with respect to the Vacations Business, Interval Spinco, any Interval Entity or the Interval Group, means the Interval Group Balance Sheet, (c) with respect to the Ticketing Business, TM Spinco, any TM Entity or the TM Group, means the TM Group Balance Sheet, and (d) with respect to the Lending and Real Estate Business, Tree Spinco, any Tree Entity or the Tree Group, means the Tree Group Balance Sheet.

“Corresponding Liabilities” (a) with respect to HSN Spinco, any HSN Entity or the HSN Group, means the HSN Liabilities, (b) with respect to Interval Spinco, any Interval Entity or the Interval Group, means the Interval Liabilities, (c) with respect to TM Spinco, any TM Entity or the TM Group, means the TM Liabilities, (d) with respect to Tree Spinco, any Tree Entity or the Tree Group, means the Tree Liabilities and (e) with respect to IAC or the IAC Group, means the Retained Liabilities.

“Corresponding Opening Balance Sheet” (a) with respect to the Retailing Business, HSN Spinco, any HSN Entity or the HSN Group, means the HSN Opening Balance Sheet, (b) with respect to the Vacations Business, Interval Spinco, any Interval Entity or the Interval Group, means the Interval Opening Balance Sheet, (c) with respect to the Ticketing Business, TM Spinco, any TM Entity or the TM Group, means the TM Opening Balance Sheet and (d) with respect to the Lending and Real Estate Business, Tree Spinco, any Tree Entity or the Tree Group, means the Tree Opening Balance Sheet.

“Corresponding Other Separate-cos Indemnified Parties” has the meaning set forth in Section 6.02.

“Corresponding Separate-co” (a) with respect to the Retailing Business, any HSN Entity or the HSN Group, means HSN Spinco, (b) with respect to the Vacations Business, any Interval Entity or the Interval Group, means Interval Spinco, (c) with respect to the Ticketing Business, any TM Entity or the TM Group, means TM Spinco, (d) with respect to the Lending and Real Estate Business, any Tree Entity or the Tree Group, means Tree Spinco and (e) with respect to the Remaining Business, any Remaining IAC Entity or the IAC Group, means IAC.

“Corresponding Spinco” (a) with respect to the Retailing Business, any HSN Entity or the HSN Group, means HSN Spinco, (b) with respect to the Vacations Business, any Interval Entity or the Interval Group, means Interval Spinco, (c) with respect to the Ticketing Business, any TM Entity or the TM Group, means TM Spinco and (d) with respect to the Lending and Real Estate Business, any Tree Entity or the Tree Group, means Tree Spinco.

“Deferred Beneficiary” has the meaning set forth in Section 3.01(b).

“Deferred Corresponding Asset” has the meaning set forth in Section 3.01(a).

“Deferred Excluded Asset” has the meaning set forth in Section 3.01(a).

“Deferred Spun Asset” has the meaning set forth in Section 3.01(a).

“Deferred Transactions” has the meaning set forth in Section 10.01(a)(ii).

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“Deferred Transfer Asset” has the meaning set forth in Section 3.01(a).

“Deposit Rights” means rights relating to deposits and prepaid expenses, claims for refunds and rights of set-off in respect thereof.

“DGCL” means the General Corporation Law of the State of Delaware.

“Disclosing Party” has the meaning set forth in Section 8.08.

“Dispute” has the meaning set forth in Section 9.02(a).

“Dispute Notice” has the meaning set forth in Section 9.02(a).

“Dispute Parties” has the meaning set forth in Section 9.02(a).

“Distribution Date” means the HSN Distribution Date, the Interval Distribution Date, the TM Distribution Date or the Tree Distribution Date, as applicable.

“Distribution Record Date” means the HSN Distribution Record Date, the Interval Distribution Record Date, the TM Distribution Record Date or the Tree Distribution Record Date, as applicable

“Distributions” means the HSN Distribution, the Interval Distribution, the TM Distribution and the Tree Distribution, and each of them a “Distribution.”

“Effective Time” means (a) 9:00 a.m., New York City time, on the earliest to occur of one or more of the HSN Distribution Date, the Interval Distribution Date, the TM Distribution Date and the Tree Distribution Date if IAC determines to effect the applicable Distribution(s) prior to the opening of trading on NASDAQ or (b) otherwise, 4.01 p.m., New York City time, on such earliest date to occur.

“EHS Liabilities” means any Liability arising from or under any Environmental Law or Occupational Health and Safety Law.

“Employee Matters Agreement” means the Employee Matters Agreement among the Parties to be dated as of even date herewith.

“Encumbrance” means, with respect to any asset, mortgages, liens, hypothecations, pledges, charges, security interests or encumbrances of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under Applicable Law.

“Environmental Law” means any Applicable Law from any Governmental Authority (a) relating to the protection of the environment (including air, water, soil and natural resources) or (b) the use, storage, handling, release or disposal of Hazardous Substances.

“Escrow Agent” has the meaning set forth in Section 4.03(a).

“Escrow Agreement” has the meaning set forth in Section 4.03(a).

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“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Excluded Assets” has the meaning set forth in Section 2.09(a).

“GAAP” has the meaning set forth in Section 2.04(d).

“Governmental Authority” means any court, arbitration panel, governmental or regulatory authority, agency, stock exchange, commission or body.

“Governmental Authorization” means any Consent, license, certificate, franchise, registration or permit issued, granted, given or otherwise made available by, or under the authority of, any Governmental Authority or pursuant to any Applicable Law.

“Ground Lease” means any long-term lease (including any emphyteotic lease) of Land in which most of the rights and benefits comprising ownership of the Land and the Improvements thereon or to be constructed thereon, if any, and the Appurtenances thereto for the benefit thereof, are transferred to the tenant for the term thereof.

“Ground Lease Property” means, in respect of any Person, any Land, Improvement or Appurtenance of such Person that is subject to a Ground Lease.

“Group” means the IAC Group, the HSN Group, the Interval Group, the TM Group or the Tree Group, as the context requires.

“Guaranteed Entities” has the meaning set forth in Section 4.02(c).

“Guaranteed Group” has the meaning set forth in Section 4.02(c).

“Guaranteed Spinco” has the meaning set forth in Section 4.02(c).

“Guaranteeing Group” has the meaning set forth in Section 4.02(c).

“Guaranteeing Separate-co” has the meaning set forth in Section 4.02(c).

“Hazardous Substance” means any substance to the extent presently listed, defined, designated or classified as hazardous, toxic or radioactive under any applicable Environmental Law, including petroleum and any derivative or by-products thereof.

“HSN Assets” has the meaning set forth in Section 2.06.

“HSN Claims” has the meaning set forth in Section 6.01(c).

“HSN Common Stock” means the common stock, par value \$0.01 per share, of HSN Spinco.

“HSN Distribution” means the distribution on the HSN Distribution Date, to holders of record of shares of IAC Common Stock and IAC Class B Common Stock as of the HSN Distribution Record Date, of the HSN Common Stock owned by IAC on the basis of a

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fraction of a share of HSN Common Stock equal to the HSN Distribution Ratio for every one share of IAC Common Stock or IAC Class B Common Stock.

“HSN Distribution Date” means the date on which IAC distributes all of the issued and outstanding shares of HSN Common Stock to the holders of IAC Common Stock and IAC Class B Common Stock.

“HSN Distribution Ratio” means 1/5, subject to adjustment pursuant to Section 5.02(a).

“HSN Distribution Record Date” means such date as may be determined by the IAC Board as the record date for the HSN Distribution.

“HSN Effective Time Cash Balance” has the meaning set forth in Section 4.04(c).

“HSN Entities” means those Business Concerns forming part of the IAC Group which are identified on Schedule 2.06(b) and which on and after the Effective Time form part of the HSN Group.

“HSN Group” means HSN Spinco, the HSN Entities and each other Person (other than any member of any other Group) that is a direct or indirect Subsidiary of HSN Spinco immediately after the Effective Time, and each Person that becomes a Subsidiary of HSN Spinco after the Effective Time.

“HSN Group Balance Sheet” has the meaning set forth in Section 2.06(c).

“HSN Liabilities” has the meaning set forth in Section 2.10.

“HSN Opening Balance Sheet” has the meaning set forth in Section 2.06(e).

“HSN Releasors” has the meaning set forth in Section 6.01(c).

“HSN Spinco” has the meaning set forth in the preamble hereto.

“HSN Target Cash Balance” has the meaning set forth in Section 4.04(c).

“IAC” has the meaning set forth in the preamble hereto.

“IAC Auditor” has the meaning set forth in Section 11.01(a).

“IAC Board” has the meaning set forth in the recitals hereto.

“IAC Claims” has the meaning set forth in Section 6.01(e).

“IAC Class B Common Stock” has the meaning set forth in the recitals hereto.

“IAC Common Stock” has the meaning set forth in the recitals hereto.

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“IAC Group” means IAC, its Subsidiaries (subject to Section 1.04(b), other than any member of any Spinco Group) and their respective domestic and international businesses, assets and liabilities.

“IAC Notes” has the meaning set forth in the recitals hereto.

“IAC Record Date Share Number” with respect to any Distribution means the aggregate number of shares of IAC Common Stock and IAC Class B Common Stock outstanding on the applicable Distribution Record Date.

“IAC Releasers” has the meaning set forth in Section 6.01(e).

“Improvements” means, in respect of any Land, all buildings, structures, plants, fixtures and improvements located on such Land, including those under construction.

“Indemnified Party” has the meaning set forth in Section 6.04(a).

“Indemnifying Party” has the meaning set forth in Section 6.04(b).

“Information” means any information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, test procedures, research, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, manufacturing techniques, manufacturing variables, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, products, product plans, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer information, customer services, supplier information, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

“Insurance Benefits” means, in respect of any Asset or Liability, all insurance benefits, including rights to Insurance Proceeds, arising from or relating to such Asset or Liability.

“Insurance Proceeds” means those monies (in each case net of any costs or expenses incurred in the collection thereof and net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments)):

- (a) received by an insured from an insurance carrier; or
- (b) paid by an insurance carrier on behalf of the insured.

“Intangible Property Rights” means, in respect of any Person, all intangible rights and property of such Person, including IT Assets, going concern value and goodwill.

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“Intercompany Accounts” means all balances related to indebtedness, including any intercompany indebtedness, loan, guaranty, receivable, payable or other account between a member of any Group, on the one hand, and a member of any other Group, on the other hand.

“Interval Acquisition Corp.” means Interval Acquisition Corp., a Delaware corporation and wholly owned subsidiary of IAC that, at the time of the Interval Distribution, will be a wholly owned subsidiary of Interval Spinco.

“Interval Assets” has the meaning set forth in Section 2.05.

“Interval Claims” has the meaning set forth in Section 6.01(b).

“Interval Common Stock” means the common stock, par value \$0.01 per share, of Interval Spinco.

“Interval Distribution” means the distribution on the Interval Distribution Date, to holders of record of shares of IAC Common Stock and IAC Class B Common Stock as of the Interval Distribution Record Date, of the Interval Common Stock owned by IAC on the basis of a fraction of a share of Interval Common Stock equal to the Interval Distribution Ratio for every one share of IAC Common Stock or IAC Class B Common Stock.

“Interval Distribution Date” means the date on which IAC distributes all of the issued and outstanding shares of Interval Common Stock to the holders of IAC Common Stock and IAC Class B Common Stock.

“Interval Distribution Ratio” means 1/5, subject to adjustment pursuant to Section 5.02(a).

“Interval Distribution Record Date” means such date as may be determined by the IAC Board as the record date for the Interval Distribution.

“Interval Effective Time Cash Balance” has the meaning set forth in Section 4.04(b).

“Interval Entities” means those Business Concerns forming part of the IAC Group which are identified on Schedule 2.05(b) and which on and after the Effective Time form part of the Interval Group.

“Interval Group” means Interval Spinco, the Interval Entities and each other Person (other than any member of any other Group) that is a direct or indirect Subsidiary of Interval Spinco immediately after the Effective Time, and each Person that becomes a Subsidiary of Interval Spinco after the Effective Time.

“Interval Group Balance Sheet” has the meaning set forth in Section 2.05(c).

“Interval Liabilities” has the meaning set forth in Section 2.10.

“Interval Opening Balance Sheet” has the meaning set forth in Section 2.05(e).

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“Interval Releasers” has the meaning set forth in Section 6.01(b).

“Interval Spinco” has the meaning set forth in the preamble hereto.

“Interval Target Cash Balance” has the meaning set forth in Section 4.04(b).

“Inventories” means, in respect of any Person, all inventories of such Person wherever located, including all finished goods, (whether or not held at any location or facility of such Person or in transit to or from such Person), work in process, raw materials, spare parts and all other materials and supplies to be used or consumed by the Person in production of finished goods.

“IT Assets” means computers, computer software, firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines, all other information technology equipments and all associated documentation.

“Land” means, in respect of any Person, all parcels and tracts of land in which the Person has an ownership interest.

“Lending and Real Estate Business” means (a) the businesses and operations of Tree Spinco and its subsidiaries described in the Information Statement included as an exhibit to Tree Spinco’s Registration Statement, (b) any other business conducted primarily through the use of the Tree Assets prior to the Effective Time and (c) the businesses and operations of Business Concerns acquired or established by or for Tree Spinco or any of its Subsidiaries after the date of this Agreement.

“Liberty Spinco Agreement” means that certain Spinco Agreement, dated as of May 13, 2008, among IAC, Barry Diller, Liberty Media Corporation and certain subsidiaries of Liberty Media Corporation that hold IAC Common Stock and/or IAC Class B Common Stock.

“Liberty Spinco Assumption Agreement” means an agreement substantially in the form of Exhibit 5 to the Liberty Spinco Agreement.

“Liberty Registration Rights Agreement” means an agreement substantially in the form of Exhibit 4 to the Liberty Spinco Agreement.

“Liability” means, with respect to any Person, any and all losses, claims, charges, debts, demands, actions, causes of action, suits, damages, obligations, payments, costs and expenses, sums of money, accounts, reckonings, bonds, specialties, indemnities and similar obligations, exoneration covenants, contracts, controversies, agreements, promises, doings, omissions, variances, guarantees, make whole agreements and similar obligations, and other liabilities and requirements, including all contractual obligations, whether absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, joint or several, whenever arising, and including those arising under any Applicable Law, Action, threatened or contemplated Action (including the costs and expenses of demands, assessments, judgments, settlements and compromises relating thereto and attorneys’ fees and any and all costs and expenses, whatsoever reasonably incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions) or Order of any

Governmental Authority or any award of any arbitrator or mediator of any kind, and those arising under any contract, commitment or undertaking, in each case, whether or not recorded or reflected or otherwise disclosed or required to be recorded or reflected or otherwise disclosed, on the books and records or financial statements of any Person, including any Specified Financial Liability, EHS Liability or Liability for Taxes.

“NASDAQ” means the Nasdaq Stock Market.

“New IAC Integrated Warrant” has the meaning set forth in Section 5.05(a)(i).

“Non-IAC Indemnified Parties” has the meaning set forth in Section 6.03.

“Non-IAC Parties” has the meaning set forth in Section 6.01(e).

“Non-Interval Parties” has the meaning set forth in Section 6.01(b).

“Non-HSN Parties” has the meaning set forth in Section 6.01(c).

“Non-Tree Parties” has the meaning set forth in Section 6.01(d).

“Non-TM Parties” has the meaning set forth in Section 6.01(a).

“Notice Period” has the meaning set forth in Section 6.04(b).

“Occupational Health and Safety Law” means any Applicable Law designed to provide safe and healthful working conditions and to reduce occupational safety and health hazards, and any program, whether governmental or private (such as those promulgated or sponsored by industry associations and insurance companies), designed to provide safe and healthful working conditions.

“Old IAC Integrated Warrant” means the outstanding warrant to purchase shares of IAC Common Stock identified on Schedule 1.01(a).

“Order” means any order, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Authority or arbitrator.

“Ordinary Course of Business” means any action taken by a Person that is in the ordinary course of the normal, day-to-day operations of such Person and is consistent with the past practices of such Person.

“Parties” has the meaning set forth in the preamble hereto.

“Person” means any individual, Business Concern or Governmental Authority.

“Post-Record Date IAC Shares” has the meaning set forth in Section 5.02(a)

“Potential Contributor” has the meaning set forth in Section 6.06(a).

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“Prime Rate” means the rate which JPMorgan Chase & Co. (or any successor thereto or other major money center commercial bank agreed to by the Parties hereto) announces from time to time as its prime lending rate, as in effect from time to time.

“Prospectus” with respect to a Registration Statement means the prospectus forming a part of such Registration Statement, as the same may be amended or supplemented from time to time.

“Providing Party” has the meaning set forth in Section 8.08.

“Real Property” means any Land and Improvements and all Appurtenances thereto and any Ground Lease Property.

“Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

“Registration Statement” means, for each Spinco, the Registration Statement on Form S-1 first filed by such Spinco with the SEC on August 1, 2008 (together with all amendments and supplements thereto) in connection with the registration under the Securities Act of such Spinco’s Spinco Common Stock.

“Regulation S-K” means Regulation S-K of the General Rules and Regulations promulgated by the SEC pursuant to the Securities Act.

“Relevant Time” means (a) as between any two Spinco’s, on the date of the later Distribution Date to occur with respect to such Spinco’s if such Distribution Dates are not the same date or, otherwise, on such Distribution Date and (b) as between IAC and any Spinco, on the Distribution Date with respect to such Spinco, in either such case (i) 9:00 a.m., New York City time, if IAC determines to effect the applicable Distribution(s) prior to the opening of trading on NASDAQ or (b) otherwise, 4:01 p.m., New York City time, on such earliest date to occur.

“Remaining Business” means all IAC Businesses other than the Spun Businesses.

“Remaining IAC Entity” means any Business Concern that is a member of the IAC Group on and after the Effective Time.

“Representatives” means, with respect to any Person, any of such Person’s directors, officers, employees, agents, consultants, advisors, accountants or attorneys.

“Requesting Party” has the meaning set forth in Section 8.01(a).

“Response” has the meaning set forth in Section 9.02(a).

“Responding Parties” has the meaning set forth in Section 9.02(a).

“Responsible Group” has the meaning set forth in Section 3.02(b).

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“Responsible Separate-co” has the meaning set forth in Section 3.02.

“Retailing Business” means (a) the businesses and operations of HSN Spinco and its Subsidiaries as described in the Prospectus forming a part of HSN Spinco’s Registration Statement, (b) any other business conducted primarily through the use of the HSN Assets prior to the Effective Time and (c) the businesses and operations of Business Concerns acquired or established by or for HSN Spinco or any of its Subsidiaries after the date of this Agreement.

“Retained Liabilities” has the meaning set forth in Section 2.10.

“Retaining Person” has the meaning set forth in Section 3.01(b).

“SEC” means the Securities and Exchange Commission.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Senior Party Representatives” has the meaning set forth in Section 9.02(a).

“Separate-cos” has the meaning set forth in the preamble hereto.

“Separation” has the meaning set forth in the recitals hereto.



“Separation Transactions” means the transactions to effect the Separation as described in the Transactions Memo and, in the singular, means any one of them.

“Shared Liability” of a Spinco means any Liability from, relating to, arising out of, or derivative of any matter, claim or litigation, whether actual or potential, associated with any securities law litigation relating to any public disclosure (or absence of public disclosure) with respect to such Spinco’s Spun Business or the Spun Entities in such Spinco’s Corresponding Group made by IAC prior to the Effective Time, including the fees and expenses of outside counsel retained by IAC in connection with the defense and/or settlement of any such matter. For purposes of this definition, the phrase “securities law litigation” shall include claims alleging any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in alleged violation of the Securities Act, the Exchange Act or any similar state law and any claims premised on, related to or derivative of such alleged statements, omissions or violations, whether payable to any current, past or future holders of IAC securities or any Spinco securities, to any of the co-defendants in such action or to any Governmental Authority. Notwithstanding anything in Section 6.06 to the contrary, the amount of any Shared Liability shall be net of any insurance proceeds actually recovered by or on behalf of any member of any Group.

“Specified Financial Liabilities” means, in respect of any Person, all liabilities, obligations, contingencies, instruments and other Liabilities of a financial nature with Third Parties of, or relating to, such Person, including any of the following:

- (a) foreign exchange contracts;
- (b) letters of credit;

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- (c) guarantees of Third Party loans;
  - (d) surety bonds (excluding surety for workers’ compensation self-insurance);
  - (e) interest support agreements on Third Party loans;
  - (f) performance bonds or guarantees issued by Third Parties;
  - (g) swaps or other derivatives contracts;
  - (h) recourse arrangements on the sale of receivables or notes; and

(i) indemnities for damages for any breach of, or any inaccuracy in, any representation or warranty or any breach of, or failure to perform or comply with, any covenant, undertaking or obligation.

“Spinco” has the meaning set forth in the preamble hereto.

“Spinco Auditor” has the meaning set forth in Section 11.01(a).

“Spinco Common Stock” means the HSN Common Stock, the Interval Common Stock, the TM Common Stock and/or the Tree Common Stock, as applicable.

“Spinco Common Stock Escrow Account” has the meaning set forth in Section 4.03.

“Spinco Group” means any of the HSN Group, the Interval Group, the TM Group and the Tree Group.

“Spun Businesses” has the meaning set forth in the recitals hereto.

“Spun Assets” means the HSN Assets, the Interval Assets, the TM Assets and the Tree Assets.

“Spun Entities” means the HSN Entities, the Interval Entities, the TM Entities and the Tree Entities.

“Spun Liabilities” means the HSN Liabilities, the Interval Liabilities, the TM Liabilities and the Tree Liabilities.

“Subsidiary” of any Person means any corporation, partnership, limited liability entity, joint venture or other organization, whether incorporated or unincorporated, of which a majority of the total voting power of capital stock or other interests entitled (without the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof, is at the time owned or controlled, directly or indirectly, by such Person.

“Tangible Personal Property” means, in respect of any Person, all machinery, equipment, tools, furniture, office equipment, supplies, materials, vehicles and other items of

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tangible personal or movable property (other than Inventories and IT Assets) of every kind and wherever located that are owned or leased by the Person, together with any express or implied warranty by the manufacturers, sellers or lessors of any item or component part thereof and all maintenance Records and other documents relating thereto.

“Tax” means Income Taxes and Other Taxes as defined in the Tax Sharing Agreement.

“Tax Sharing Agreement” means the Tax Sharing Agreement among the Parties to be dated as of even date herewith.

“Third Party” means a Person (a) that is not a Party to this Agreement, other than a member of any Group and (b) that is not an Affiliate thereof.

“Third Party Claim” has the meaning set forth in Section 6.04(b).

“Third Party Consent” has the meaning set forth in Section 2.11.

“Ticketing Business” means (a) the businesses and operations of TM Spinco and its subsidiaries as described in the Prospectus forming a part of TM Spinco’s Registration Statement, (b) any other business conducted primarily through the use of the TM Assets prior to the Effective Time and (c) the businesses and operations of Business Concerns acquired or established by or for TM Spinco or any of its Subsidiaries after the date of this Agreement.

“TM Assets” has the meaning set forth in Section 2.04.

“TM Claims” has the meaning set forth in Section 6.01(a).

“TM Common Stock” means the common stock, par value \$0.01 per share, of TM Spinco.

“TM Distribution” means the distribution on the TM Distribution Date, to holders of record of shares of IAC Common Stock and IAC Class B Common Stock as of the TM Distribution Record Date, of the TM Common Stock owned by IAC on the basis of a fraction of a share of TM Common Stock equal to the TM Distribution Ratio for every one share of IAC Common Stock or IAC Class B Common Stock.

“TM Distribution Date” means the date on which IAC distributes all of the issued and outstanding shares of TM Common Stock to the holders of IAC Common Stock and IAC Class B Common Stock.

“TM Distribution Ratio” means 1/5, subject to adjustment pursuant to Section 5.02(a).

“TM Distribution Record Date” means such date as may be determined by the IAC Board as the record date for the TM Distribution.

“TM Effective Time Cash Balance” has the meaning set forth in Section 4.04(a).

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“TM Entities” means those Business Concerns forming part of the IAC Group which are identified on Schedule 2.04(b) and which on and after the Effective Time form part of the TM Group.

“TM Group” means TM Spinco, the TM Entities and each other Person (other than any member of any other Group) that is a direct or indirect Subsidiary of TM Spinco immediately after the Effective Time, and each Person that becomes a Subsidiary of TM Spinco after the Effective Time.

“TM Group Balance Sheet” has the meaning set forth in Section 2.04(c).

“TM Liabilities” has the meaning set forth in Section 2.10.

“TM Opening Balance Sheet” has the meaning set forth in Section 2.04(e).

“TM Releasors” has the meaning set forth in Section 6.01(a).

“TM Spinco” has the meaning set forth in the preamble hereto.

“TM Target Cash Balance” has the meaning set forth in Section 4.04(a).

“Transfer Impediment” has the meaning set forth in Section 3.01(a).

“Transactions Memo” has the meaning set forth in the recitals hereto.

“Transition Services Agreement” means the Transition Services Agreement among the Parties to be dated as of even date herewith.

“Tree Assets” has the meaning set forth in Section 2.07.

“Tree Claims” has the meaning set forth in Section 6.01(d).

“Tree Common Stock” means the common stock, par value \$0.01 per share, of Tree Spinco.

“Tree Distribution” means the distribution on the Tree Distribution Date, to holders of record of shares of IAC Common Stock and IAC Class B Common Stock as of the Tree Distribution Record Date, of the Tree Common Stock owned by IAC on the basis of a fraction of a share of Tree Common Stock equal to the Tree Distribution Ratio for every one share of IAC Common Stock or IAC Class B Common Stock.

“Tree Distribution Date” means the date on which IAC distributes all of the issued and outstanding shares of Tree Common Stock to the holders of IAC Common Stock and IAC Class B Common Stock.

“Tree Distribution Ratio” means 1/30, subject to adjustment pursuant to Section 5.02(a).

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“Tree Distribution Record Date” means such date as may be determined by the IAC Board as the record date for the Tree Distribution.

“Tree Effective Time Cash Balance” has the meaning set forth in Section 4.04(d).

“Tree Entities” means those Business Concerns forming part of the IAC Group which are identified on Schedule 2.07(b) and which on and after the Effective Time form part of the Tree Group.

“Tree Group” means Tree Spinco, the Tree Entities and each other Person (other than any member of any other Group) that is a direct or indirect Subsidiary of Tree Spinco immediately after the Effective Time, and each Person that becomes a Subsidiary of Tree Spinco after the Effective Time.

“Tree Group Balance Sheet” has the meaning set forth in Section 2.07(c).

“Tree Liabilities” has the meaning set forth in Section 2.10.

“Tree Opening Balance Sheet” has the meaning set forth in Section 2.07(e).

“Tree Releasors” has the meaning set forth in Section 6.01(d).

“Tree Spinco” has the meaning set forth in the preamble hereto.

“Tree Target Cash Balance” has the meaning set forth in Section 4.04(d).

“Unreleased Group” has the meaning set forth in Section 3.02.

“Unreleased Liabilities” has the meaning set forth in Section 3.02.

“Unreleased Person” has the meaning set forth in Section 3.02.

“Unreleased Separate-co” has the meaning set forth in Section 3.02.

“Vacations Business” means (a) the businesses and operations of Interval Spinco and its subsidiaries as described in the Prospectus forming a part of Interval Spinco’s Registration Statement, (b) any other business conducted primarily through the use of the Interval Assets prior to the Effective Time and (c) the businesses and operations of Business Concerns acquired or established by or for Interval Spinco or any of its Subsidiaries after the date of this Agreement.

“Warrant Share Number” has the meaning set forth in Section 5.05(a)(i).

1.02. Schedules. The following schedules are attached to this Agreement and form a part hereof:

Schedule 1.01(a)	Old IAC Integrated Warrant
Schedule 2.04(a)	TM Assets
Schedule 2.04(b)	TM Entities

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Schedule 2.04(c)	TM Group Balance Sheet
Schedule 2.05(a)	Interval Assets
Schedule 2.05(b)	Interval Entities
Schedule 2.05(c)	Interval Group Balance Sheet
Schedule 2.06(a)	HSN Assets
Schedule 2.06(b)	HSN Entities
Schedule 2.06(c)	HSN Group Balance Sheet
Schedule 2.07(a)	Tree Assets
Schedule 2.07(b)	Tree Entities
Schedule 2.07(c)	Tree Group Balance Sheet
Schedule 2.09(a)	Excluded Assets
Schedule 2.10(a)	TM Liabilities
Schedule 2.10(b)	Interval Liabilities
Schedule 2.10(c)	HSN Liabilities
Schedule 2.10(d)	Tree Liabilities
Schedule 2.10(e)	Retained Liabilities
Schedule 2.14(a)	IAC Resignation Exceptions

1.03. Effective Time; Suspension. (a) This Agreement shall be effective as of the Effective Time.

(b) Notwithstanding Section 1.03(a) above, as between any two of the Parties, the provisions of, and the obligations under, this Agreement shall be suspended as between such Parties until the applicable Relevant Time (and, as the context requires, references to the Effective Time shall be deemed to refer to the Relevant Time), other than Sections 2.01, 2.02, 2.03, 2.04, 2.05, 2.06, 2.07, 2.09 and 2.10, each of which shall be effective as of the Effective Time. For the avoidance of doubt, in the event that one or more of the Distributions shall not be effected on the first Distribution Date to occur, then for purposes of determining the rights and obligations between IAC and any Spinco the Spinco Common Stock of which shall have been distributed on such

date, until the Distribution Date, if any, for each Spinco not so distributed, such undistributed Spinco and the members of its Corresponding Group shall continue to be treated as members of the IAC Group and shall not, upon its Distribution Date, bear any Liability for any Retained Liabilities.

## ARTICLE II THE SEPARATION

2.01. Separation. To the extent not already complete, IAC and the Spinco's agree to implement the Separation and to cause the Corresponding Businesses of each Spinco to be transferred to such Spinco and its Subsidiaries and the Remaining Business to be held by IAC and its Subsidiaries (other than the Spinco's and their Subsidiaries) as of the Effective Time, on the terms and subject to the conditions set forth in this Agreement. The Parties acknowledge that the Separation is intended to result in each Spinco, directly or indirectly, operating its Corresponding Business, owning its Corresponding Assets and assuming its Corresponding Liabilities as set forth in this Article II.

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2.02. Implementation. The Separation shall be completed in accordance with the agreed general principles, objectives and other provisions set forth in this Article II and shall be implemented in the following manner:

- (a) through the completion of the steps described in the Transactions Memo;
- (b) through the transfer from time to time following the Effective Time of the Deferred Transfer Assets as described in Article III;
- (c) through the completion from time to time following the Effective Time of the Deferred Transactions, as described in Section 10.01(a); and
- (d) through the performance by the Parties of all other provisions of this Agreement.

2.03. Transfer of Spun Assets; Assumption of Spun Liabilities. On the terms and subject to the conditions set forth in this Agreement, and in furtherance of the Separation, with effect as of the Effective Time:

(a) To the extent not already complete, IAC agrees to cause the Corresponding Assets of each Spinco to be contributed, assigned, transferred, conveyed and delivered, directly or indirectly, to such Spinco, and each Spinco agrees to accept all of its Corresponding Assets and all of the rights, title and interest in and to all its Corresponding Assets owned, directly or indirectly, by IAC which, except with respect to Deferred Corresponding Assets and Unreleased Liabilities, will result in such Spinco owning, directly or indirectly, its Corresponding Business.

(b) Each Spinco agrees to accept, assume and faithfully perform, discharge and fulfill all of its Corresponding Liabilities in accordance with their respective terms.

2.04. TM Assets. For the purposes of this Agreement, "TM Assets" shall mean, without duplication, those Assets whether now existing or hereinafter acquired, used or contemplated to be used or held for use exclusively or primarily in the ownership, operation or conduct of the Ticketing Business or relating exclusively or primarily to the Ticketing Business or to a TM Entity including the following:

- (a) all Assets expressly identified in this Agreement or in any Ancillary Agreement or in any Schedule hereto or thereto, including those, if any, listed on Schedule 2.04(a), as Assets to be transferred to, or retained by, TM Spinco or any other member of the TM Group;
- (b) the outstanding capital stock, units or other equity interests of the TM Entities, as listed on Schedule 2.04(b), and the Assets owned by such TM Entities;
- (c) all Assets properly reflected on Schedule 2.04(c) (the "TM Group Balance Sheet"), excluding Assets disposed of by IAC or any other Subsidiary or entity controlled by IAC subsequent to the date of the TM Group Balance Sheet;

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(d) all Assets that have been written off, expensed or fully depreciated by IAC or any Subsidiary or entity controlled by IAC that, had they not been written off, expensed or fully depreciated, would have been reflected on the TM Group Balance Sheet in accordance with accounting principles generally accepted in the United States ("GAAP");

(e) all Assets acquired by IAC or any Subsidiary or entity controlled by IAC after the date of the TM Group Balance Sheet and that would be reflected on the balance sheet of TM Spinco as of the Effective Time (the "TM Opening Balance Sheet"), if such balance sheet were prepared in accordance with GAAP; and

(f) all Assets transferred to TM Spinco or any member of the TM Group pursuant to Section 10.01(a); provided, however, that any such transfer shall take effect under Section 10.01(a) and not under this Section 2.04.

Notwithstanding the foregoing, there shall be excluded from the definition of TM Assets under this Section 2.04 Business Records to the extent they are included in or primarily relate to any Excluded Asset or Retained Liability or the Remaining Business or their transfer is prohibited by Applicable Law or by agreements between any other Separate-co or any member of another Separate-co's Corresponding Group and Third Parties or otherwise would subject any other Separate-co or any member of any other Corresponding Group to liability for such transfer. Access to such excluded Business Records shall be governed by Article VIII.

2.05. Interval Assets. For the purposes of this Agreement, "Interval Assets" shall mean, without duplication, those Assets whether now existing or hereinafter acquired, used or contemplated to be used or held for use exclusively or primarily in the ownership, operation or conduct of the Vacations Business or relating exclusively or primarily to the Vacation Business or to an Interval Entity including the following:

(a) all Assets expressly identified in this Agreement or in any Ancillary Agreement or in any Schedule hereto or thereto, including those, if any, listed on Schedule 2.05(a), as Assets to be transferred to, or retained by, Interval Spinco or any other member of the Interval Group;

(b) the outstanding capital stock, units or other equity interests of the Interval Entities, as listed on Schedule 2.05(b), and the Assets owned by such Interval Entities;

(c) all Assets properly reflected on Schedule 2.05(c) (the “Interval Group Balance Sheet”), excluding Assets disposed of by IAC or any other Subsidiary or entity controlled by IAC subsequent to the date of the Interval Group Balance Sheet;

(d) all Assets that have been written off, expensed or fully depreciated by IAC or any Subsidiary or entity controlled by IAC that, had they not been written off, expensed or fully depreciated, would have been reflected on the Interval Group Balance Sheet in accordance with GAAP;

(e) all Assets acquired by IAC or any Subsidiary or entity controlled by IAC after the date of the Interval Group Balance Sheet and that would be reflected on the balance

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sheet of Interval Spinco as of the Effective Time (the “Interval Opening Balance Sheet”), if such balance sheet were prepared in accordance with GAAP; and

(f) all Assets transferred to Interval Spinco or any member of the Interval Group pursuant to Section 10.01(a); provided, however, that any such transfer shall take effect under Section 10.01(a) and not under this Section 2.05.

Notwithstanding the foregoing, there shall be excluded from the definition of Interval Assets under this Section 2.05 Business Records to the extent they are included in or primarily relate to any Excluded Asset or Retained Liability or the Remaining Business or their transfer is prohibited by Applicable Law or by agreements between any other Separate-co or any member of another Separate-co’s Corresponding Group and Third Parties or otherwise would subject any other Separate-co or any member of any other Corresponding Group to liability for such transfer. Access to such excluded Business Records shall be governed by Article VIII.

2.06. HSN Assets. For the purposes of this Agreement, “HSN Assets” shall mean, without duplication, those Assets whether now existing or hereinafter acquired, used or contemplated to be used or held for use exclusively or primarily in the ownership, operation or conduct of the Retailing Business or relating exclusively or primarily to the Retailing Business or to an HSN Entity including the following:

(a) all Assets expressly identified in this Agreement or in any Ancillary Agreement or in any Schedule hereto or thereto, including those, if any, listed on Schedule 2.06(a), as Assets to be transferred to, or retained by, HSN Spinco or any other member of the HSN Group;

(b) the outstanding capital stock, units or other equity interests of the HSN Entities, as listed on Schedule 2.06(b), and the Assets owned by such HSN Entities;

(c) all Assets properly reflected on Schedule 2.06(c) (the “HSN Group Balance Sheet”), excluding Assets disposed of by IAC or any other Subsidiary or entity controlled by IAC subsequent to the date of the HSN Group Balance Sheet;

(d) all Assets that have been written off, expensed or fully depreciated by IAC or any Subsidiary or entity controlled by IAC that, had they not been written off, expensed or fully depreciated, would have been reflected on the HSN Group Balance Sheet in accordance with GAAP;

(e) all Assets acquired by IAC or any Subsidiary or entity controlled by IAC after the date of the HSN Group Balance Sheet and that would be reflected on the balance sheet of HSN as of the Effective Time (the “HSN Opening Balance Sheet”), if such balance sheet were prepared in accordance with GAAP; and

(f) all Assets transferred to HSN Spinco or any member of the HSN Group pursuant to Section 10.01(a); provided, however, that any such transfer shall take effect under Section 10.01(a) and not under this Section 2.06.

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Notwithstanding the foregoing, there shall be excluded from the definition of HSN Assets under this Section 2.06 Business Records to the extent they are included in or primarily relate to any Excluded Asset or Retained Liability or the Remaining Business or their transfer is prohibited by Applicable Law or by agreements between any other Separate-co or any member of another Separate-co’s Corresponding Group and Third Parties or otherwise would subject any other Separate-co or any member of any other Corresponding Group to liability for such transfer. Access to such excluded Business Records shall be governed by Article VIII.

2.07. Tree Assets. For the purposes of this Agreement, “Tree Assets” shall mean, without duplication, those Assets whether now existing or hereinafter acquired, used or contemplated to be used or held for use exclusively or primarily in the ownership, operation or conduct of the Lending and Real Estate Business or relating exclusively or primarily to the Lending and Real Estate Business or to a Tree Entity including the following:

(a) all Assets expressly identified in this Agreement or in any Ancillary Agreement or in any Schedule hereto or thereto, including those, if any, listed on Schedule 2.07(a), as Assets to be transferred to, or retained by, Tree Spinco or any other member of the Tree Group;

(b) the outstanding capital stock, units or other equity interests of the Tree Entities, as listed on Schedule 2.07(b), and the Assets owned by such Tree Entities;

(c) all Assets properly reflected on Schedule 2.07(c) (the “Tree Group Balance Sheet”), excluding Assets disposed of by IAC or any other Subsidiary or entity controlled by IAC subsequent to the date of the Tree Group Balance Sheet;

(d) all Assets that have been written off, expensed or fully depreciated by IAC or any Subsidiary or entity controlled by IAC that, had they not been written off, expensed or fully depreciated, would have been reflected on the Tree Group Balance Sheet in accordance with GAAP;

(e) all Assets acquired by IAC or any Subsidiary or entity controlled by IAC after the date of the Tree Group Balance Sheet and that would be reflected on the balance sheet of Tree Spinco as of the Effective Time (the "Tree Opening Balance Sheet"), if such balance sheet were prepared in accordance with GAAP; and

(f) all Assets transferred to Tree Spinco or any member of the Tree Group pursuant to Section 10.01(a); provided, however, that any such transfer shall take effect under Section 10.01(a) and not under this Section 2.07.

Notwithstanding the foregoing, there shall be excluded from the definition of Assets under this Section 2.07 Business Records to the extent they are included in or primarily relate to any Excluded Asset or Retained Liability or the Remaining Business or their transfer is prohibited by Applicable Law or by agreements between any other Separate-co or any member of another Separate-co's Corresponding Group and Third Parties or otherwise would subject any other Separate-co or any member of any other Corresponding Group to liability for such transfer. Access to such excluded Business Records shall be governed by Article VIII.

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2.08. Deferred Spun Assets. Notwithstanding anything to the contrary contained in Section 2.04, 2.05, 2.06 or 2.07 or elsewhere in this Agreement, the Spun Assets shall not include any Deferred Spun Assets. The transfer to a Spinco or its Corresponding Group of any such Deferred Spun Asset shall only be completed at the time, in the manner and subject to the conditions set forth in Article III.

2.09. Excluded Assets. (a) Notwithstanding anything to the contrary contained in Section 2.04, 2.05, 2.06 or 2.07 or elsewhere in this Agreement, the following Assets of IAC (or of any other relevant member of the IAC Group) that would otherwise be included among the Corresponding Assets of a Spinco shall not be transferred to such Spinco (or any other member of its Corresponding Group), shall not form part of its Corresponding Assets and shall remain the exclusive property of IAC (or the relevant member of the IAC Group) on and after the Effective Time (the "Excluded Assets"):

(i) any Asset expressly identified on Schedule 2.09(a); and

(ii) any Asset transferred to IAC or to any other relevant member of the IAC Group pursuant to Section 10.01(a); provided, however, that any such transfers shall take effect under Section 10.01(a) and not under this Section 2.09.

(b) Notwithstanding anything to the contrary in this Agreement, Excluded Assets shall not include Deferred Excluded Assets. The transfer to IAC (or to the relevant member of the IAC Group) or to another Spinco (or to the relevant member of its Corresponding Group) of any such Asset shall be completed at the time, in the manner and subject to the conditions set forth in Article III.

2.10. Liabilities. For the purposes of this Agreement, Liabilities shall be identified as "TM Liabilities," "Interval Liabilities," "HSN Liabilities," "Tree Liabilities" or "Retained Liabilities" under the following principles:

(a) any Liability which is expressly identified on Schedule 2.10(a) shall be a TM Liability;

(b) any Liability which is expressly identified on Schedule 2.10(b) shall be an Interval Liability;

(c) any Liability which is expressly identified on Schedule 2.10(c) shall be an HSN Liability;

(d) any Liability which is expressly identified on Schedule 2.10(d) shall be a Tree Liability;

(e) any Liability which is expressly identified on Schedule 2.10(e) shall be a Retained Liability;

(f) (i) 50% of any Shared Liability of Ticketmaster Spinco shall be a Ticketmaster Liability and 50% shall be a Retained Liability,

(ii) 50% of any Shared Liability of Interval Spinco shall be an Interval Liability and 50% shall be a Retained Liability, (iii) 50% of

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any Shared Liability of HSN Spinco shall be an HSN Liability and 50% shall be a Retained Liability and (iv) 50% of any Shared Liability of Tree Spinco shall be a Tree Liability and 50% shall be a Retained Liability;

(g) any Liability of a Spun Entity, whether arising or accruing prior to, on or after the Effective Time and whether the facts on which it is based occurred on, prior to or after the Effective Time and whether or not reflected on the Corresponding Group Balance Sheet or on the Corresponding Opening Balance Sheet, shall be a Corresponding Liability of such Spun Entity's Corresponding Group, unless it is expressly identified in this Agreement (including on any Schedule) or in any Ancillary Agreement as a Liability to be assumed or retained by IAC (or any other member of the IAC Group) or by a Spinco that is not included in such Spun Entity's Corresponding Group (or any other relevant member of such other Spinco's Corresponding Group), in which case it shall be a Retained Liability or a Spun Liability of such other Spinco's Corresponding Group, as applicable;

(h) any Liability relating to, arising out of, or resulting from the conduct of, a Spun Business (as conducted at any time prior to, on or after the Effective Time) or relating to a Spun Asset or a Deferred Spun Asset and whether arising or accruing prior to, on or after the Effective Time and whether the facts on which it is based occurred on, prior to or after the Effective Time and whether or not reflected on the Corresponding Group Balance Sheet or the Corresponding Opening Balance Sheet, shall be a Corresponding Liability of such Spun Business' Corresponding Group, unless it is expressly identified in this Agreement (including on any Schedule) or in any Ancillary Agreement as a Liability to be assumed or retained by IAC (or any other member of the IAC Group) or by a Spinco that is not included in such Spun Entity's Corresponding Group (or any other relevant member of such other Spinco's Corresponding Group), in which case it shall be a Retained Liability or Spun Liability of such other Spinco's Corresponding Group, as applicable;

(i) any Liability which is reflected or otherwise disclosed as a liability or obligation of any Spinco Group on its Corresponding Group Balance Sheet shall be a Corresponding Liability of such Spinco Group;

(j) any Liability which would be reflected or otherwise disclosed on the Corresponding Group Balance Sheet of any Spinco Group, if such balance sheet were prepared under GAAP, shall be a Corresponding Liability of such Spinco Group;

(k) any Liability pursuant to contracts entered into by IAC and/or any member of the IAC Group (i) in connection with the acquisition, by IAC and/or any member of the IAC Group, of any Spun Entity and/or Spun Business or (ii) otherwise relating primarily to a Spun Entity and/or the conduct of a Spun Business, shall be a Corresponding Liability of such Spun Entity's or Spun Business's Corresponding Group, unless it is expressly identified in this Agreement (including on any Schedule) or in any Ancillary Agreement as a Liability to be assumed or retained by IAC (or any other member of the IAC Group) or by a Spinco that is not included in such Spun Entity's Corresponding Group (or any other relevant member of such other Spinco's Corresponding Group), in which case it shall be a Retained Liability or Spun Liability of such other Spinco's Corresponding Group, as applicable;

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(l) any Liability of a Remaining IAC Entity, whether arising or accruing prior to, on or after the Effective Time and whether the facts on which it is based occurred on, prior to or after the Effective Time, shall be Retained Liability, unless it is determined to be a Spun Liability pursuant to clause (a), (b), (c), (d), (f), (g), (h), (i), (j) or (k) above, in which case it shall be a Spun Liability as set forth thereunder;

(m) any Liability relating to, arising out of, or resulting from the conduct of, a Remaining IAC Business (as conducted at any time prior to, on or after the Effective Time) or relating to an Excluded Asset and whether arising or accruing prior to, on or after the Effective Time and whether the facts on which it is based occurred on, prior to or after the Effective Time, shall be a Retained Liability, unless it is determined to be a Spun Liability pursuant to clause (a), (b), (c), (d), (f), (g), (h), (i), (j) or (k) above, in which case it shall be a Spun Liability as set forth thereunder; and

(n) any Liability of any Spinco or any other member of any Spinco Group under this Agreement or any Ancillary Agreement shall be a Corresponding Liability of such Spinco Group and any Liability of IAC or any other member of the IAC Group under this Agreement or any Ancillary Agreement shall be a Retained Liability.

2.11. Third Party Consents and Government Approvals. To the extent that the Separation or any transaction contemplated thereby requires a Consent from any Third Party (a "Third Party Consent") or any Governmental Authorization, the Parties will use commercially reasonable efforts to obtain all such Third Party Consents and Governmental Authorizations prior to the Effective Time. If the Parties fail to obtain any such Third Party Consent or Governmental Authorization prior to the Effective Time, the matter shall be dealt with in the manner set forth in Article III.

2.12. Preservation of Agreements. The Parties each agree that all written agreements, arrangements, commitments and understandings between any member or members of its Corresponding Group, on the one hand, and any member or members of any other Group, on the other hand, shall remain in effect in accordance with their terms from and after the Effective Time, unless otherwise terminated by the relevant Parties.

2.13. Ancillary Agreements. On or prior to the Effective Time, the Parties shall execute and deliver or, as applicable, cause the appropriate members of their respective Groups to execute and deliver, each of the following agreements (collectively, the "Ancillary Agreements"):

- (a) the Employee Matters Agreement;
- (b) the Tax Sharing Agreement;
- (c) the Transition Services Agreement; and
- (d) the Transactions Memorandum, and such other agreements and instruments as may relate to or be identified in any of the foregoing agreements.

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2.14. Resignations. (a) IAC agrees to cause each Person who is a director or an officer of any Spun Entity and who will not be or become an employee of such Spun Entity's Spinco Group (or any member thereof) at the Effective Time to resign from such position with effect as of the Effective Time; provided, however, that this Section 2.14(a) shall not apply to the persons in the capacities set forth on Schedule 2.14(a).

(b) Each Spinco agrees to cause each Person (i) who is a director or an officer of a Remaining IAC Entity or any Spun Entity that is not a member of such Spinco's Corresponding Group and (ii) who will become an employee of such Spinco's Corresponding Group (or any member thereof) at the Effective Time to resign from such position with effect as of the Effective Time.

(c) Each Separate-co agrees to obtain all such letters of resignation or other evidence of such resignations as may be necessary or desirable in performing their respective obligations under this Section 2.14.

2.15. Cooperation. The Parties shall cooperate in all aspects of the Separation and shall sign all such documents and perform all such other acts as may be necessary or desirable to give full effect to the Separation; and each Separate-co shall cause each other member of its Corresponding Group to do likewise.

2.16. Intercompany Accounts Among Groups. Except as otherwise expressly provided in any Ancillary Agreement, from and after the Effective Time, each Separate-co agrees to cause any Intercompany Account payable by any member of its Corresponding Group to any member of any other Group to be satisfied in full.

2.17. Disclaimer of Representations and Warranties. (a) Each of the Parties (on behalf of itself and each other member of its respective Corresponding Group) understands and agrees that, except as expressly set forth herein or in any Ancillary Agreement, no Party to this Agreement, any Ancillary Agreement or any other agreement or document contemplated by this Agreement, any Ancillary Agreement or otherwise, makes any representation or warranty, express or implied, regarding any of the Spun Assets, Spun Entities, Spun Businesses, Excluded Assets, Spun Liabilities or Retained Liabilities including any warranty of merchantability or fitness for a particular purpose, or any representation or warranty regarding any Consents or Governmental Authorizations required in connection therewith or their transfer, regarding the value or freedom from Encumbrances of, or any other matter concerning, any Spun Asset or Excluded Asset, or regarding the absence of any defense or right of setoff or freedom from counterclaim with respect to any claim or other Spun Asset or Excluded Asset, including any Account Receivable of any Party, or as to the legal sufficiency of any assignment, document or instrument delivered hereunder to convey title to any Spun Asset or Excluded Asset upon the execution, delivery and filing hereof or thereof.

(b) Except as may expressly be set forth herein or in any Ancillary Agreement, all Spun Assets and Excluded Assets are being transferred on an “as is, where is” basis, at the risk of the respective transferees without any warranty whatsoever on the part of the transferor, formal or implicit, legal, statutory or conventional (and, in the case of any Real Property, by means of a quitclaim or similar form deed or conveyance).

### ARTICLE III DEFERRED SEPARATION TRANSACTIONS

3.01. Deferred Transfer Assets. (a) If the transfer to, or retention by, any member of a Spinco Group of any Asset that would otherwise constitute its Corresponding Asset (a “Deferred Spun Asset”; with respect to such Spinco, a “Deferred Corresponding Asset”) or the transfer to, or retention by, any member of the IAC Group of any Asset that would otherwise constitute an Excluded Asset (a “Deferred Excluded Asset,” and together with a Deferred Spun Asset, a “Deferred Transfer Asset”) cannot be accomplished without giving rise to a violation of Applicable Law, or without obtaining a Third Party Consent or a Governmental Authorization (collectively, a “Transfer Impediment”) and any such Third Party Consent or Governmental Authorization has not been obtained prior to the Effective Time, then such Asset shall be dealt with in the manner described in this Section 3.01.

(b) Pending removal of such Transfer Impediment, the Person holding the Deferred Transfer Asset (the “Retaining Person”) shall hold such Deferred Transfer Asset for the use and benefit, insofar as reasonably possible, of the Party to whom the transfer of such Asset could not be made at the Effective Time (the “Deferred Beneficiary”). The Retaining Person shall use commercially reasonable efforts to preserve such Asset and its right, title and interest therein and take all such other action as may reasonably be requested by the Deferred Beneficiary (in each case, at such Deferred Beneficiary’s expense) in order to place such Deferred Beneficiary, insofar as reasonably possible, in the same position as it would be in if such Asset had been transferred to it or retained by it with effect as of the Effective Time and so that, subject to the standard of care set forth above, all the benefits and burdens relating to such Deferred Transfer Asset, including possession, use, risk of loss, potential for gain, enforcement of rights against third parties and dominion, control and command over such Asset, are to inure from and after the Effective Time to such Deferred Beneficiary and the members of its Group. The provisions set forth in this Article III contain all the obligations of the Retaining Person vis-à-vis the Deferred Beneficiary with respect to the Deferred Transfer Asset and the Retaining Person shall not be bound vis-à-vis the Deferred Beneficiary by any other obligations under Applicable Law.

(c) The Parties shall continue on and after the Effective Time to use commercially reasonable efforts to remove all Transfer Impediments; provided, however, that no Party shall be required to make any unreasonable payment or assume any material obligations therefor. As and when any Transfer Impediment is removed, the relevant Deferred Transfer Asset shall forthwith be transferred to its Deferred Beneficiary at no additional cost and in a manner and on terms consistent with the relevant provisions of this Agreement and the Ancillary Agreements, including Section 2.17(b) hereof, and any such transfer shall take effect as of the date of its actual transfer.

(d) Notwithstanding the foregoing or any provision of Applicable Law, a Retaining Person shall not be obligated, in connection with the foregoing, to expend any money in respect of a Deferred Transfer Asset unless the necessary funds are advanced by the Deferred Beneficiary of such Deferred Transfer Asset, other than reasonable attorneys’ fees and recording or similar fees, all of which shall be promptly reimbursed by the Deferred Beneficiary of such Deferred Transfer Asset.

3.02. Unreleased Liabilities. If at any time on or after the Effective Time, any member of any Group shall remain obligated to any Third Party in respect of any Corresponding Liability not its own — i.e., a Corresponding Liability of another Separate-co (such other Separate-co with respect such Unreleased Liability and such Unreleased Person, the “Responsible Separate-co”) — the following provisions shall apply. The Liabilities referred to in this Section 3.02 are hereinafter referred to as the “Unreleased Liabilities,” the Person remaining obligated for such Liability in a manner contrary to what is intended under this Agreement is hereinafter referred to as the “Unreleased Person,” such Unreleased Person’s Corresponding Separate-co, the “Unreleased Separate-co” and such Unreleased Person’s Corresponding Group, the “Unreleased Group”.

(a) Each Unreleased Person shall remain obligated to Third Parties for such Unreleased Liability as provided in the relevant Contract, Applicable Law or other source of such Unreleased Liability and shall pay and perform such Unreleased Liability as and when required, in accordance with its terms.

(b) Each Responsible Separate-co shall indemnify, defend and hold harmless each Other Separate-Co Indemnified Party that is an Unreleased Person from and against any Liabilities arising in respect of each Unreleased Liability of such Unreleased Person that is a Corresponding Liability of such Responsible Separate-co. Each Responsible Separate-co shall take, and shall cause the members of its Corresponding Group (the “Responsible Group”) to take, such other actions as may be reasonably requested by the applicable Unreleased Separate-co in accordance with the provisions of this Agreement in order to place the applicable Unreleased Group, insofar as reasonably possible, in the same position as it would be in if such Unreleased Liability had been fully contributed, assigned, transferred, conveyed, and delivered to, and accepted and assumed or retained, as applicable, by such Responsible Separate-co (or any relevant member of the Responsible Group) with effect as of the Effective Time and so that all the benefits and burdens relating to such Unreleased Liability, including possession, use, risk of loss, potential for gain, and dominion, control and command over such Unreleased Liability, are to inure from and after the Effective Time to the member or members of the Responsible Group.



(c) Each Responsible Separate-co shall continue on and after the Effective Time to use commercially reasonable efforts to cause the applicable Unreleased Persons to be released from their respective Unreleased Liabilities.

(d) If, as and when it becomes possible to delegate, novate or extinguish any Unreleased Liability in favor of an Unreleased Person, the relevant Parties shall promptly sign all such documents and perform all such other acts, and shall cause each member of their respective Groups, as applicable, to sign all such documents and perform all such other acts, as may be necessary or desirable to give effect to such delegation, novation, extinction or other release without payment of any further consideration by the Unreleased Person.

3.03. No Additional Consideration. For the avoidance of doubt, the transfer or assumption of any Assets or Liabilities under this Article III shall be effected without any additional consideration by any Party hereunder.

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## ARTICLE IV COVENANTS

4.01. General Covenants. Each Party covenants with and in favor of the other Parties that it shall, subject, in the case of IAC, to Article XII:

(a) do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments as may reasonably be required of it to facilitate the carrying out of the intent and purpose of this Agreement;

(b) cooperate with and assist the other Parties, both before and after the Effective Time, in dealing with transitional matters relating to or arising from the Separation, the Distributions, this Agreement or the Ancillary Agreements; and

(c) cooperate in preparing and filing all documentation (i) to effect all necessary applications, notices, petitions, filings and other documents; and (ii) to obtain as promptly as reasonably practicable all Consents and Governmental Authorizations necessary or advisable to be obtained from any Third Party and/or any Governmental Authority in order to consummate the transactions contemplated by this Agreement (including all approvals required under applicable antitrust laws).

4.02. Covenants of the Spinco. In addition to the covenants of the Spinco provided for elsewhere in this Agreement, each Spinco covenants and agrees with, and in favor of, the other Parties that it shall:

(a) use commercially reasonable efforts and do all things reasonably required of it to cause the Separation and the Distributions to be completed, including cooperating with IAC to obtain: the approval for the listing of such Spinco's Spinco Common Stock on NASDAQ or such other securities exchange or inter-dealer quotation system as is reasonably acceptable to IAC;

(b) use its commercially reasonable efforts to take all such action as may be necessary or desirable under applicable state securities and blue sky laws of the United States (and any comparable laws under any foreign jurisdictions) in connection with the Separation and the Distributions;

(c) use its commercially reasonable efforts to cause any member of another Group to be released, as soon as reasonably practicable, from any guarantees given by any member of such other Group (the "Guaranteeing Group"; its Corresponding Separate-co, the "Guaranteeing Separate-co") for the benefit of such Spinco (the "Guaranteed Spinco"; its Corresponding Group, the "Guaranteed Group"; its Corresponding Entities, the "Guaranteed Entities") or any Guaranteed Entities and (to the extent necessary to secure such releases) to cause itself or one or more members of the Guaranteeing Group to be substituted in all respects for any member of the Guaranteeing Group in respect of such guarantees, provided, that in the event that, notwithstanding the commercially reasonable efforts of the Guaranteed Spinco, the Guaranteed Spinco is unable to obtain such guarantee releases, the Guaranteed Spinco hereby agrees to indemnify and hold the Guaranteeing Separate-co and the other members of the

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Guaranteeing Group harmless from and against all Liabilities incurred by them in connection with, arising out of or resulting from such guarantees; and

(d) perform and, as applicable, cause each member of its Corresponding Group to perform each of its and their respective obligations under each Ancillary Agreement.

4.03. Spinco Common Stock Escrow Accounts. (a) Immediately following the Effective Time, each Spinco shall deposit a number of shares of its Spinco Common Stock as is equal to the product of (x) its Corresponding Distribution Ratio and (y) the number of shares of IAC Common Stock deliverable upon the exercise of the Old IAC Integrated Warrant if such warrant were to be exercised immediately prior to the Effective Time (such Spinco's "Corresponding Escrow Shares") into an escrow account (a "Spinco Common Stock Escrow Account") to be established by each Spinco with The Bank of New York Mellon (the "Escrow Agent") to be held by the Escrow Agent pursuant to the terms of an escrow agreement in customary form to be agreed upon by each of the Spinco and the Escrow Agent prior to the Effective Time (an "Escrow Agreement"). The Spinco Common Stock Escrow Accounts will serve as a source of shares of Spinco Common Stock deliverable upon the exercise of the New IAC Integrated Warrant. Under the terms of the Escrow Agreements, any shares of Spinco Common Stock designated for delivery upon exercise of the New IAC Integrated Warrant shall be returned to the applicable Spinco upon the expiration without exercise of the New IAC Integrated Warrant in accordance with its terms. IAC and each Spinco acknowledge that IAC's obligation to issue shares of IAC Common Stock to the holder of the Old IAC Integrated Warrant relates to the businesses that were conducted by the IAC Group and the Spinco Groups prior to the Effective Time. Accordingly, from and after the Effective Time, upon an exercise of the New IAC Integrated Warrant, as between IAC and the Spinco, each Spinco will exclusively bear the obligation to deliver shares of its Spinco Common Stock. The issuance and delivery by each Spinco of its Corresponding Escrow Shares to the applicable Spinco Common Stock Escrow Account is intended to further such Spinco's satisfaction of such obligations following the Separation and the Distributions; provided, however, that if for any reason such Spinco Common Stock Escrow Account does not satisfy such obligations, the transfer of shares by such Spinco to the Spinco Common Stock Escrow Account under this Section 4.03 is not in substitution of the obligations of such Spinco under the immediately preceding sentence to deliver shares of its Spinco Common Stock.

For the avoidance of doubt, any obligations with respect to the delivery of any Spinco Common Stock on account of the New IAC Integrated Warrant shall be a Corresponding Liability of such Spinco. If, at any time or from time to time following the Effective Time,

(X) IAC reasonably determines in good faith (which determination, absent manifest error, shall be final and binding) in its sole discretion that, for any Spinco, its Corresponding Escrow Shares are insufficient to satisfy the obligations with respect to the New IAC Integrated Warrant, IAC shall provide to such Spinco written notice indicating the number of additional shares of such Spinco Common Stock necessary to satisfy the obligations pursuant to the New IAC Integrated Warrant and such Spinco shall promptly deposit into the applicable Spinco Common Stock Escrow Account the number of shares of such Spinco Common Stock indicated in the written notice from IAC; or

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(Y) any Spinco undertakes any action, or any event shall occur, that either (i) results in an adjustment to the number of shares of its Spinco Common Stock with respect to which the New IAC Integrated Warrant is exercisable or (ii) causes that portion of the New IAC Integrated Warrant that would otherwise have been exercisable for shares of such Spinco Common Stock to become exercisable into another form of consideration (including, without limitation, in conjunction with a merger of such Spinco or a reclassification of such Spinco Common Stock), then, in each case, such Spinco shall promptly deposit into the applicable Spinco Common Stock Escrow Account the number of additional shares of such Spinco Common Stock and/or the other consideration with respect to which the New IAC Integrated Warrant is exercisable.

(b) Notwithstanding the foregoing, in lieu of issuing any fractional shares of its Spinco Common Stock upon the exercise of the New IAC Integrated Warrant, the applicable Spinco shall promptly deposit into the applicable Spinco Common Stock Escrow Account cash in lieu of such fractional share in an amount computed in accordance with the terms of the New IAC Integrated Warrant.

4.04. Cash Balance True-Ups. (a) In the event that, after review and reconciliation, the amount of cash and cash equivalents and marketable securities reflected in the bank statements (or their equivalents) including instruments deposited and interest accrued but not yet collected of the domestic operations of TM Spinco and its subsidiaries as of the close of business on the TM Distribution Date (the "TM Effective Time Cash Balance") is greater than \$0 after reducing the TM Effective Time Cash Balance for the aggregate amount of any Revolving Facility Borrowings outstanding under the TM Credit Agreement dated July 25, 2008 (the "TM Target Cash Balance"), TM Spinco shall make one or more payments to IAC as promptly as practicable after the Effective Time, but in no event more than ninety (90) days after the Effective Time, totaling an amount equal to the excess of the TM Effective Time Cash Balance over the TM Target Cash Balance. In the event that, after review and reconciliation, the TM Effective Time Cash Balance is less than the TM Target Cash Balance, IAC shall make one or more payments to TM Spinco as promptly as practicable after the Effective Time, but in no event more than ninety (90) days after the Effective Time, totaling an amount equal to the excess of the TM Target Cash Balance over the TM Effective Time Cash Balance. Notwithstanding Section 13.08, payments pursuant to this Section 4.04(a) shall not bear any interest. For the avoidance of doubt, (i) non-client cash and cash equivalents and marketable securities reflected in the bank statements (or their equivalents) of TM Spinco's domestic client bank statements (or their equivalents) will be included in the calculation of the TM Target Cash Balance and (ii) client cash designated for payment to clients representing the face amount of tickets sold will not be included in the calculation of the TM Target Cash Balance.

(b) In the event that, after review and reconciliation, the amount of cash and cash equivalents and marketable securities reflected in the bank statements (or their equivalents) including instruments deposited and interest accrued but not yet collected of the domestic operations of Interval Spinco and its subsidiaries as of the close of business on the Interval Distribution Date (the "Interval Effective Time Cash Balance") is greater than \$50,000,000 (the "Interval Target Cash Balance"), Interval Spinco shall make one or more payments to IAC as promptly as practicable after the Effective Time, but in no event more than ninety (90) days after

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the Effective Time, totaling an amount equal to the excess of the Interval Effective Time Cash Balance over the Interval Target Cash Balance. In the event that, after review and reconciliation, the Interval Effective Time Cash Balance is less than the Interval Target Cash Balance, IAC shall make one or more payments to Interval Spinco as promptly as practicable after the Effective Time, but in no event more than ninety (90) days after the Effective Time, totaling an amount equal to the excess of the Interval Target Cash Balance over the Interval Effective Time Cash Balance. Notwithstanding Section 13.08, payments pursuant to this Section 4.04(b) shall not bear any interest. For the avoidance of doubt, cash and cash equivalents and marketable securities reflected in the bank statements (or their equivalents) of Interval Spinco's ResortQuest operations designated as Trust accounts and restricted cash and cash equivalents and marketable securities of Interval Spinco's Meridian Financial Services subsidiary will not be included in the calculation of the Interval Target Cash Balance.

(c) In the event that, after review and reconciliation, the amount of cash and cash equivalents and marketable securities reflected in the bank statements (or their equivalents) including instruments deposited and interest accrued but not yet collected of HSN Spinco and its subsidiaries as of the close of business on the HSN Distribution Date (the "HSN Effective Time Cash Balance") is greater than \$50,000,000 (the "HSN Target Cash Balance"), HSN Spinco shall make one or more payments to IAC as promptly as practicable after the Effective Time, but in no event more than ninety (90) days after the Effective Time, totaling an amount equal to the excess of the HSN Effective Time Cash Balance over the HSN Target Cash Balance. In the event that, after review and reconciliation, the HSN Effective Time Cash Balance is less than the HSN Target Cash Balance, IAC shall make one or more payments to HSN Spinco as promptly as practicable after the Effective Time, but in no event more than ninety (90) days after the Effective Time, totaling an amount equal to the excess of the HSN Target Cash Balance over the HSN Effective Time Cash Balance. Notwithstanding Section 13.08, payments pursuant to this Section 4.04(c) shall not bear any interest.

(d) In the event that, after review and reconciliation, the amount of cash and cash equivalents and marketable securities in the bank statements (or their equivalents) including instruments deposited and interest accrued but not yet collected of Tree Spinco and its subsidiaries as of the close of business on the Tree Distribution Date (the "Tree Effective Time Cash Balance") is greater than \$98,250,000 less any amounts placed (or required to be placed) in escrow in connection with a Tree lease with The Irvine Company (the "Tree Target Cash Balance"), Tree Spinco shall make one or more payments to IAC as promptly as practicable after the Effective Time, but in no event more than ninety (90) days after the Effective Time, totaling an amount equal to the excess of the Tree Effective Time Cash Balance over the Tree Target Cash Balance. In the event that, after review and reconciliation, the Tree Effective Time Cash Balance is less than the Tree Target Cash Balance, IAC shall make one or more payments to Tree Spinco as promptly as practicable after the

4.05. Non-Solicitation.

(a) IAC and each of the Spinco's shall not, and each of them shall cause the other members of its respective Corresponding Group not to, from the applicable Distribution Date of a Spinco (the "Subject Spinco") through and including the eighteen-month anniversary of such Distribution Date, without the prior written consent of the Subject Spinco, either directly or indirectly, on their own behalf or in the service or on behalf of others, solicit for employment or solicit, aid, induce or encourage any person who is an employee of the Subject Spinco's respective Corresponding Group as of such Distribution Date to leave his or her employment.

(b) No Spinco shall, and each of them shall cause the other members of its respective Corresponding Group not to, from the applicable Distribution Date of such Spinco through and including the eighteen-month anniversary of such Distribution Date, without the prior written consent of IAC, either directly or indirectly, on their own behalf or in the service or on behalf of others, solicit for employment or solicit, aid, induce or encourage any person who is an employee of IAC's Corresponding Group as of such Distribution Date to leave his or her employment.

(c) Nothing in this Section 4.05 shall be deemed to prohibit any general solicitation for employment through advertisements and search firms not specifically directed at employees of another Party, provided that the applicable Party has not encouraged or advised such firm to approach any such employee.

**ARTICLE V  
THE DISTRIBUTIONS**

5.01. Conditions to the Distributions. (a) In addition to, and without in any way limiting, IAC's rights under Section 12.1, completion of each Distribution is conditioned on:

(i) the IAC Board not having determined that such Distribution is not in the best interests of IAC and its stockholders;

(ii) no stop order suspending the effectiveness of the Registration Statements with respect to such Spinco's common shares shall have been issued and no proceedings for that purpose shall have been instituted or threatened by the SEC;

(iii) the applicable Spinco Common Stock shall have been accepted for listing on NASDAQ, subject to compliance with applicable listing requirements;

(iv) no Order or other legal restraint or prohibition preventing the consummation of any of the Distributions, or any of the transactions contemplated by this Agreement or any Ancillary Agreement, including the transactions to effect the Separation, shall be threatened, pending or in effect;

(v) any material Consents and Governmental Authorizations necessary to complete the Separation and the Distributions shall have been obtained and be in full force and effect;

(vi) the written solvency opinion delivered to the IAC Board by Duff & Phelps regarding the Separation, the Distributions and other transactions contemplated hereby shall not have been withdrawn or modified;

(vii) IAC shall have received an opinion of Wachtell, Lipton, Rosen & Katz, in form and substance satisfactory to the IAC Board, regarding the qualification of the Distributions, as transactions that are generally tax free for U.S. federal income tax purposes under Sections 355 and/or 368(a)(1)(D) of the Code (to the extent such qualification is not addressed by an Internal Revenue Service private letter ruling (the "IRS Ruling") received by IAC), which opinion (and, in the event IAC shall have received the IRS Ruling, the IRS Ruling) shall not have been withdrawn or modified; and

(viii) IAC shall have received opinions from its external tax advisors, in form and substance satisfactory to the IAC Board, regarding the U.S. federal income tax consequences to IAC of certain related matters and transactions (to the extent such matters are not addressed by the IRS Ruling) and certain state tax consequences to IAC of the Distributions, which opinions shall not have been withdrawn or modified.

(b) The foregoing conditions are for the sole benefit of IAC and shall not give rise to or create any duty on the part of IAC or the IAC Board to waive or not to waive such conditions or in any way limit IAC's right to terminate this Agreement in whole or in part as set forth in Article XII or alter the consequences of any such termination from those specified in such Article XII. Any determination made by IAC prior to the Separation and the Distributions concerning the satisfaction or waiver of the conditions set forth in this Section 5.01 shall be final and conclusive.

5.02. Distribution of Spinco Common Stock. (a) Prior to the Effective Time and in accordance with the Transactions Memo, each Spinco shall issue to IAC such additional shares of its Spinco Common Stock (or shall take or cause to be taken such other appropriate actions to ensure that IAC has the requisite number of shares of Spinco Common Stock) to cause the number of shares of such Spinco Common Stock issued and outstanding immediately prior to the Effective Time to equal the product of (x) the sum of (i) the applicable IAC Record Date Share Number and (ii) the number of shares of IAC Common Stock issued or issuable pursuant to (A) the exercise of outstanding IAC Stock Options following the applicable Distribution Record Date and prior to August 18, 2008 or (B) pursuant to the settlement of IAC Restricted Stock Units (as such terms are defined in the Employee Matters Agreement), following the applicable Distribution Record Date and prior to the Effective Time (in each case giving effect to any cashless exercise of IAC Stock Options or withholding of shares of IAC Common Stock to satisfy tax withholding obligations) ("Post-Record Date IAC Shares") (y) the Corresponding Distribution

Ratio. The Corresponding Distribution Ratio with respect to any Spinco shall be appropriately adjusted in the event of any stock split, reverse stock split or similar event in respect of the IAC Common Stock and/or IAC Class B Common Stock following the date of this Agreement and prior to the Effective Time.

(b) On the terms and subject to the conditions in this Agreement, with respect to each Distribution, IAC will cause the applicable distribution or transfer agent (the “Agent”) at the Effective Time to distribute all of the outstanding shares of the applicable Spinco Common

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Stock then owned by IAC to holders of IAC Common Stock and IAC Class B Common Stock as of the applicable Distribution Record Date and, in accordance with the Employee Matters Agreement, to holders of Post-Record Date IAC Shares, and to credit the number of such shares of Spinco Common Stock to book entry accounts for each such holder or designated transferee or transferees of such holder of IAC Common Stock or IAC Class B Common Stock. On the terms and subject to the conditions in this Agreement, each holder of IAC Common Stock or IAC Class B Common Stock on the applicable Distribution Record Date (or such holder’s designated transferee or transferees) will be entitled to receive in the applicable Distribution a fraction of a share of the applicable Spinco’s Spinco Common Stock equal to the applicable Distribution Ratio for each share of IAC Common Stock or IAC Class B Common Stock so held by such stockholder as of the applicable Distribution Record Date. No action by any such stockholder shall be necessary for such stockholder (or such stockholder’s designated transferee or transferees) to receive the applicable number of shares of Spinco Common Stock (and, if applicable, cash in lieu of any fractional shares) that such stockholder is entitled to receive in the applicable Distribution.

5.03. Fractional Shares. With respect to each Distribution, IAC stockholders holding a number of shares of IAC Common Stock or IAC Class B Common Stock on the applicable Distribution Record Date which would entitle such stockholders to receive other than a whole number of shares of the applicable Spinco Common Stock in such Distribution, will receive cash in lieu of such fractional shares. Fractional shares of Spinco Common Stock will not be distributed in any Distribution nor credited to book-entry accounts. The Agent shall, as soon as practicable after the applicable Distribution Date: (a) determine the number of whole shares and fractional shares of the applicable Spinco Common Stock to each holder of record as of close of business on the applicable Distribution Record Date, (b) aggregate all such fractional shares into whole shares and sell the whole shares obtained thereby in open market transactions as soon as practicable after the applicable Distribution Date, in each case, at then prevailing trading prices on behalf of holders who would otherwise be entitled to fractional share interests, and (c) distribute to each such holder, or for the benefit of each such beneficial owner, such holder or owner’s ratable share of the net proceeds of such sale, based upon the average gross selling price per share of applicable Spinco Common Stock, after making appropriate deductions for any amount required to be withheld for United States federal income tax purposes. Each Spinco shall bear the cost of brokerage fees incurred in connection with the sales of fractional shares of its Spinco Common Stock, which sales shall occur as soon after the applicable Distribution Date as practicable and as determined by the Agent. None of the Parties nor the Agent will guarantee any minimum sale price for fractional shares of Spinco Common Stock. None of the Parties will pay any interest on the proceeds from the sale of fractional shares. The Agent acting on behalf of the applicable Spinco will have the sole discretion to select the broker-dealers through which to sell the aggregated fractional shares and to determine when, how and at what price to sell such shares. Neither the Agent nor the broker-dealers through which the aggregated fractional shares are sold will be Affiliates of IAC or the applicable Spinco.

5.04. Actions in Connection with the Distributions. (a) Each Spinco shall file such amendments and supplements to its respective Registration Statement as IAC may reasonably request, and such amendments as may be necessary in order to cause the same to become and remain effective as required by Applicable Law, including filing such amendments and supplements to its respective Registration Statement as may be required by the SEC or

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federal, state or foreign securities laws. IAC shall mail to the holders of IAC Common Stock and IAC Class B Common Stock, at such time on or prior to the applicable Distribution Date as IAC shall determine, the Prospectus forming a part of the applicable Registration Statement, as well as any other information concerning any of the Spincos, their business, operations and management, the Separation and such other matters as IAC shall reasonably determine are necessary and as may be required by Applicable Law.

(b) Each of the Spincos shall also cooperate with IAC in preparing, filing with the SEC and causing to become effective registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or appropriate in connection with the Separation or other transactions contemplated by this Agreement and the Ancillary Agreements. Promptly after receiving a request from IAC, to the extent requested, each of HSN Spinco, Interval Spinco, TM Spinco and Tree Spinco, as applicable, shall prepare and, in accordance with Applicable Law, file with the SEC any such documentation that IAC determines is necessary or desirable to effectuate the Distributions, and IAC, HSN Spinco, Interval Spinco, TM Spinco and Tree Spinco shall each use commercially reasonable efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable.

(c) Nothing in this Section 5.04 shall be deemed, by itself, to shift Liability for any portion of any Registration Statement or Prospectus to IAC.

(d) In addition to the covenants of the Spincos provided for elsewhere in this Agreement, each Spinco covenants and agrees with, and in favor of, IAC that it shall (i) cooperate with IAC in connection with IAC’s performance of its obligations under the Liberty Spinco Agreement with respect to such Spinco to be performed by IAC prior to the Effective Time, (ii) enter into a Liberty Spinco Assumption Agreement and a Liberty Registration Rights Agreement as contemplated by the Liberty Spinco Agreement and (iii) indemnify and hold IAC and the other members of the IAC Group harmless from and against all Liabilities incurred by them in connection with, arising out of or resulting from such Spinco’s performance or failure to perform its obligations under such agreements following the Effective Time.

5.05. Treatment of Integrated Warrant. Immediately following the Effective Time:

(a) the Old IAC Integrated Warrant shall by its terms, effective as of the Effective Time be adjusted (as so adjusted, the “New IAC Integrated Warrant”), represent the right to receive upon due exercise (x) a number of shares of IAC Common Stock equal to the number of shares of IAC Common Stock subject to the Old IAC Integrated Warrant immediately prior the Effective Time (the “Warrant Share Number”); (y) a number of shares of Spinco Common Stock (or substitutions therefor) of each Spinco, if any, the Distribution Date of which shall have occurred prior to such Effective Time; and (z) such number of shares of Spinco Common Stock of each Spinco whose Distribution is effected at such Effective Time as a given holder of IAC Common

- (b) the exercise price of the New IAC Integrated Warrant will not change.

**ARTICLE VI  
MUTUAL RELEASES; INDEMNIFICATION**

6.01. Release of Pre-Distribution Claims. (a) Except as provided in Section 6.01(f), effective as of the Effective Time, TM Spinco does hereby, on behalf of itself and each other member of the TM Group, their respective Affiliates (other than any member of any other Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been stockholders (other than any member of any other Group), directors, officers, agents or employees of any member of the TM Group (in each case, in their respective capacities as such) (the “TM Releasors”), unequivocally, unconditionally and irrevocably release and discharge each of the other Separate-cos, the other members of the other Groups, their respective Affiliates (other than any member of the TM Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of any other Group (in each case, in their respective capacities as such), and their respective heirs, executors, trustees, administrators, successors and assigns (the “Non-TM Parties”), from any and all Actions, causes of action, choses in action, cases, claims, suits, debts, dues, damages, judgments and liabilities, of any nature whatsoever, in law, at equity or otherwise, whether direct, derivative or otherwise, which have been asserted against a Non-TM Party or which, whether currently known or unknown, suspected or unsuspected, fixed or contingent, and whether or not concealed or hidden, the TM Releasors ever could have asserted or ever could assert, in any capacity, whether as partner, employer, agent or otherwise, either for itself or as an assignee, heir, executor, trustee, administrator, successor or otherwise for or on behalf of any other Person, against the Non-TM Parties, relating to any claims or transactions or occurrences whatsoever, up to but excluding the Effective Time, including in connection with the transactions and all activities to implement the Separation and the Distributions (“TM Claims”); and the TM Releasors hereby unequivocally, unconditionally and irrevocably agree not to initiate proceedings with respect to, or institute, assert or threaten to assert, any TM Claim.

(b) Except as provided in Section 6.01(f), effective as of the Effective Time, Interval Spinco does hereby, on behalf of itself and each other member of the Interval Group, their respective Affiliates (other than any member of any other Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been stockholders (other than any member of any other Group), directors, officers, agents or employees of any member of the Interval Group (in each case, in their respective capacities as such) (the “Interval Releasors”), unequivocally, unconditionally and irrevocably release and discharge each of the other Separate-cos, the other members of the other Groups, their respective Affiliates (other than any member of the Interval Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of any other Group (in each case, in their respective capacities as such), and their respective heirs, executors, trustees, administrators, successors and assigns (the “Non-Interval Parties”), from any and all Actions, causes of action, choses in action, cases, claims, suits, debts, dues, damages, judgments and liabilities, of any nature whatsoever, in law, at equity or otherwise, whether direct, derivative or otherwise, which have been asserted against a Non-Interval Party or which, whether currently known or unknown, suspected or unsuspected, fixed or contingent, and

whether or not concealed or hidden, the Interval Releasors ever could have asserted or ever could assert, in any capacity, whether as partner, employer, agent or otherwise, either for itself or as an assignee, heir, executor, trustee, administrator, successor or otherwise for or on behalf of any other Person, against the Non-Interval Parties, relating to any claims or transactions or occurrences whatsoever, up to but excluding the Effective Time, including in connection with the transactions and all activities to implement the Separation and the Distributions (“Interval Claims”); and the Interval Releasors hereby unequivocally, unconditionally and irrevocably agree not to initiate proceedings with respect to, or institute, assert or threaten to assert, any Interval Claim.

(c) Except as provided in Section 6.01(f), effective as of the Effective Time, HSN Spinco does hereby, on behalf of itself and each other member of the HSN Group, their respective Affiliates (other than any member of any other Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been stockholders (other than any member of any other Group), directors, officers, agents or employees of any member of the HSN Group (in each case, in their respective capacities as such) (the “HSN Releasors”), unequivocally, unconditionally and irrevocably release and discharge each of the other Separate-cos, the other members of the other Groups, their respective Affiliates (other than any member of the HSN Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of any other Group (in each case, in their respective capacities as such), and their respective heirs, executors, trustees, administrators, successors and assigns (the “Non-HSN Parties”), from any and all Actions, causes of action, choses in action, cases, claims, suits, debts, dues, damages, judgments and liabilities, of any nature whatsoever, in law, at equity or otherwise, whether direct, derivative or otherwise, which have been asserted against a Non-HSN Party or which, whether currently known or unknown, suspected or unsuspected, fixed or contingent, and whether or not concealed or hidden, the HSN Releasors ever could have asserted or ever could assert, in any capacity, whether as partner, employer, agent or otherwise, either for itself or as an assignee, heir, executor, trustee, administrator, successor or otherwise for or on behalf of any other Person, against the Non-HSN Parties, relating to any claims or transactions or occurrences whatsoever, up to but excluding the Effective Time, including in connection with the transactions and all activities to implement the Separation and the Distributions (“HSN Claims”); and the HSN Releasors hereby unequivocally, unconditionally and irrevocably agree not to initiate proceedings with respect to, or institute, assert or threaten to assert, any HSN Claim.

(d) Except as provided in Section 6.01(f), effective as of the Effective Time, Tree Spinco does hereby, on behalf of itself and each other member of the Tree Group, their respective Affiliates (other than any member of any other Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been stockholders (other than any member of any other Group), directors, officers, agents or employees of any member of the Tree Group (in each case, in their respective capacities as such) (the “Tree Releasors”), unequivocally, unconditionally and irrevocably release and discharge each of the other Separate-cos, the other members of the other Groups, their respective Affiliates (other than any member of the Tree Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of any other Group (in each case, in their respective capacities as such), and their respective heirs, executors, trustees, administrators, successors and assigns (the “Non-Tree Parties”), from any and all Actions, causes

of action, choses in action, cases, claims, suits, debts, dues, damages, judgments and liabilities, of any nature whatsoever, in law, at equity or otherwise, whether direct, derivative or otherwise, which have been asserted against a Non-LT Party or which, whether currently known or unknown, suspected or unsuspected, fixed or contingent, and whether or not concealed or hidden, the Tree Releasers ever could have asserted or ever could assert, in any capacity, whether as partner, employer, agent or otherwise, either for itself or as an assignee, heir, executor, trustee, administrator, successor or otherwise for or on behalf of any other Person, against the Non-LT Parties, relating to any claims or transactions or occurrences whatsoever, up to but excluding the Effective Time, including in connection with the transactions and all activities to implement the Separation and the Distributions (“Tree Claims”); and the Tree Releasers hereby unequivocally, unconditionally and irrevocably agree not to initiate proceedings with respect to, or institute, assert or threaten to assert, any Tree Claim.

(e) Except as provided in Section 6.01(f), effective as of the Effective Time, IAC does hereby, on behalf of itself and each other member of the IAC Group, their respective Affiliates (other than any member of any Spinco Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been stockholders, directors, officers, agents or employees of any member of the IAC Group (in each case, in their respective capacities as such) (the “IAC Releasers”), unequivocally, unconditionally and irrevocably release and discharge each of the Spincos, the other members of the Spinco Groups, their respective Affiliates (other than any member of the IAC Group), successors and assigns, and all Persons who at any time prior to the Effective Time have been stockholders (other than any member of the IAC Group), directors, officers, agents or employees of any member of any Spinco Group (in each case, in their respective capacities as such), and their respective heirs, executors, trustees, administrators, successors and assigns (the “Non-IAC Parties”), from any and all Actions, causes of action, choses in action, cases, claims, suits, debts, dues, damages, judgments and liabilities, of any nature whatsoever, in law, at equity or otherwise, whether direct, derivative or otherwise, which have been asserted against an Non-IAC Party or which, whether currently known or unknown, suspected or unsuspected, fixed or contingent, and whether or not concealed or hidden, the IAC Releasers ever could have asserted or ever could assert, in any capacity, whether as partner, employer, agent or otherwise, either for itself or as an assignee, heir, executor, trustee, administrator, successor or otherwise for or on behalf of any other Person, against the Non-IAC Parties, relating to any claims or transactions or occurrences whatsoever, up to but excluding the Effective Time including in connection with the transactions and all activities to implement the Separation and the Distributions (“IAC Claims”); and the IAC Releasers hereby unequivocally, unconditionally and irrevocably agree not to initiate proceedings with respect to, or institute, assert or threaten to assert, any IAC Claim.

(f) Nothing contained in Section 6.01(a), 6.01(b), 6.01(c), 6.01(d) or 6.01(e) shall impair any right of any Person to enforce this Agreement, any Ancillary Agreement or, any agreement, arrangement, commitment or understanding that is contemplated by Section 2.12 or any other agreement, arrangement, commitment or understanding that is entered into after the Effective Time among any member of any Group, on the one hand, and any member of any other Group, on the other hand, nor shall anything contained in those sections be interpreted as terminating as of the Effective Time any rights under any such agreements, contracts, commitments or understandings. For purposes of clarification, nothing contained in Section 6.01(a), 6.01(b), 6.01(c), 6.01(d) or 6.01(e) shall release any Person from:

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(i) any Liability provided in or resulting from this Agreement or any of the Ancillary Agreements;

(ii) any Liability provided in or resulting from any agreement among any members of any Group that is contemplated by Section 2.13 (including for greater certainty, any Liability resulting or flowing from any breaches of such agreements that arose prior to the Effective Time);

(iii) any Liability provided in or resulting from any other agreement, arrangement, commitment or understanding that is entered into after the Effective Time between any member of any Group, on the one hand, and any member of any other Group, on the other hand;

(iv) (A) with respect to each Spinco, any Corresponding Liability of such Spinco and (B) with respect to IAC, any Retained Liability;

(v) any Liability that the Parties may have with respect to indemnification or contribution pursuant to Article III or Section 5.04(d) of this Agreement or this Article VI for Third Party Claims;

(vi) any Liability for unpaid Intercompany Accounts; or

(vii) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 6.01.

In addition, nothing contained in Section 6.01(a), 6.01(b), 6.01(c), 6.01(d) or 6.01(e) hereof shall release any Separate-co from honoring its existing obligations to indemnify any director, officer or employee of any Group who was a director, officer or employee of such Separate-co on or prior to the Effective Time, to the extent that such director, officer or employee becomes a named defendant in any litigation involving such Separate-co and was entitled to such indemnification pursuant to then existing obligations.

(g) TM Spinco shall not make, and shall not permit any other member of the TM Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against any other Separate-co or any member of any other Group or any other Person released pursuant to Section 6.01(a), with respect to any Liabilities released pursuant to Section 6.01(a).

(h) Interval Spinco shall not make, and shall not permit any other member of the Interval Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against any other Separate-co or any member of any other Group or any other Person released pursuant to Section 6.01(b), with respect to any Liabilities released pursuant to Section 6.01(b).

(i) HSN Spinco shall not make, and shall not permit any other member of the HSN Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against any other Separate-co

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or any member of any other Group or any other Person released pursuant to Section 6.01(c), with respect to any Liabilities released pursuant to Section 6.01(c).

(j) Tree Spinco shall not make, and shall not permit any other member of the Tree Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against any other Separate-co or any member of any other Group or any other Person released pursuant to Section 6.01(d), with respect to any Liabilities released pursuant to Section 6.01(d).

(k) IAC shall not make, and shall not permit any other member of the IAC Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against any Spinco or any other member of any Spinco Group or any other Person released pursuant to Section 6.01(e), with respect to any Liabilities released pursuant to Section 6.01(e).

6.02. Indemnification by Spinco. Except as provided in Sections 6.04 and 6.05 and subject to Section 13.01, each Spinco shall, and shall cause the other members of its Corresponding Group to, fully indemnify, defend and hold harmless each other Separate-co, each other member of each other Group and each of their respective current and former directors, officers and employees, and each of the heirs, executors, trustees, administrators, successors and assigns of any of the foregoing (collectively, such Spinco's "Corresponding Other Separate-cos Indemnified Parties"), from and against any and all Liabilities of its Corresponding Other Separate-cos Indemnified Parties relating to, arising out of or resulting from any of the following items (without duplication):

(a) with respect to such Spinco, the Corresponding Business, any Corresponding Entity, any Corresponding Asset, any Corresponding Liability or, subject to Article III, any Deferred Spun Asset;

(b) any breach of, or failure to perform or comply with, any covenant, undertaking or obligation of, this Agreement or any of the Ancillary Agreements, by such Spinco or any other member of its Corresponding Group, subject to any limitation on liability set forth in any Ancillary Agreement for any such breach or failure to perform or comply with any covenant, undertaking or obligation under such Ancillary Agreement; and

(c) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent relating to such Spinco's Corresponding Group or Corresponding Business contained in any Registration Statement or any other filings made with the SEC in connection with the Separation and the Distributions.

6.03. Indemnification by IAC. Except as provided in Sections 6.04 and 6.05 and subject to Section 13.01, IAC shall indemnify, defend and hold harmless each Spinco, each other member of each Spinco Group and each of their respective current and former directors, officers and employees, and each of the heirs, executors, trustees, administrators, successors and assigns of any of the foregoing (collectively, the "Non-IAC Indemnified Parties"), from and

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against any and all Liabilities of the Non-IAC Indemnified Parties relating to, arising out of or resulting from any of the following items (without duplication):

(a) any Remaining IAC Business or any Retained Liability;

(b) any breach of, or failure to perform or comply with, any covenant, undertaking or obligation of, this Agreement or any of the Ancillary Agreements, by IAC or any other member of the IAC Group, subject to any limitation on liability set forth in any Ancillary Agreement for any such breach or failure to perform or comply with any covenant, undertaking or obligation under such Ancillary Agreement;

(c) except to the extent set forth in Section 6.02(c), any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, contained in any Registration Statement or Prospectus forming a part thereof; provided that, notwithstanding anything in Section 6.02(c), IAC shall also indemnify the Non-IAC Indemnified Parties from any Liability arising as a result of any disclosure contained in the Prospectus contained in any Registration Statement which disclosure was not in the Registration Statement on Form 10 for any Spinco as filed with the SEC on July 22, 2008 other than (y) information relating to financial results for the second quarter of 2008 and 2007 and (z) any information specifically reviewed and/or approved by the Spinco; and

(d) any determination by a court of competent jurisdiction (whether or not in a final, non-appealable judgment) that any of the Spinco's has any liability (whether direct or indirect) for the payment of the IAC Notes; it being understood that in the event of any such determination, IAC shall be entitled to elect either of the following options: (1) IAC shall make arrangements that are reasonably satisfactory to any such Spinco to provide assurance that IAC has the financial wherewithal to promptly satisfy the IAC Notes or (2) IAC shall repay, redeem, satisfy and discharge, or otherwise retire the IAC Notes; provided, that if such determination could reasonably be expected to result in a default under any of such Spinco's indebtedness, then such Spinco shall be entitled to require IAC to exercise option (2) above.

6.04. Procedures for Indemnification of Third Party Claims. (a) All claims for indemnification relating to a Third Party Claim by any indemnified party (an "Indemnified Party") hereunder shall be asserted and resolved as set forth in this Section 6.04.

(b) In the event that any written claim or demand for which an indemnifying party (an "Indemnifying Party") may have liability to any Indemnified Party hereunder, is asserted against or sought to be collected from any Indemnified Party by a Third Party (a "Third Party Claim"), such Indemnified Party shall promptly, but in no event more than ten (10) days following such Indemnified Party's receipt of a Third Party Claim, notify the Indemnifying Party in writing of such Third Party Claim, the amount or the estimated amount of damages sought thereunder to the extent then ascertainable (which estimate shall not be conclusive of the final amount of such Third Party Claim), any other remedy sought thereunder, any relevant time constraints relating thereto and, to the extent practicable, and any other material details pertaining thereto (a "Claim Notice"); provided, however, that the failure to timely give a Claim Notice shall affect the rights of an Indemnified Party hereunder only to the extent that such

failure has a material prejudicial effect on the defenses or other rights available to the Indemnifying Party with respect to such Third Party Claim. The Indemnifying Party shall have thirty (30) days (or such lesser number of days set forth in the Claim Notice as may be required by court proceeding in the event of a litigated matter) after receipt of the Claim Notice (the “Notice Period”) to notify the Indemnified Party whether it desires to defend the Indemnified Party against such Third Party Claim; provided that in the event a Claim Notice in respect of indemnification sought pursuant to Section 6.02(c) so specifies, the Indemnified Party shall have the right to require the Indemnifying Party, and in such event the Indemnifying Party shall be required, to defend the Indemnified Party against such Third Party Claim at the Indemnifying Party’s expense.

(c) In the event that the Indemnifying Party notifies the Indemnified Party within the Notice Period that it desires to defend the Indemnified Party against a Third Party Claim, the Indemnifying Party shall have the right to defend the Indemnified Party by appropriate proceedings and shall have the sole power to direct and control such defense, with counsel reasonably satisfactory to the Indemnified Party at the Indemnifying Party’s expense. Once the Indemnifying Party has duly assumed the defense of a Third Party Claim, the Indemnified Party shall have the right, but not the obligation, to participate in any such defense and to employ separate counsel of its choosing. The Indemnified Party shall participate in any such defense at its expense, provided that such expense shall be the responsibility of the Indemnifying Party if (i) the Indemnifying Party and the Indemnified Party are both named parties to the proceedings and the Indemnified Party shall have reasonably concluded that representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them (in which case the Indemnifying Party shall not be responsible for expenses in respect of more than one counsel for the Indemnified Party in any single jurisdiction), or (ii) the Indemnified Party assumes the defense of a Third Party Claim after the Indemnifying Party has failed to diligently defend a Third Party Claim it has assumed the defense of, as provided in the first sentence of this Section 6.04(c). The Indemnifying Party shall not, without the prior written consent of the Indemnified Party, settle, compromise or offer to settle or compromise any Third Party Claim on a basis that would result in (i) the imposition of a consent order, injunction or decree that would restrict the future activity or conduct of the Indemnified Party or any of its Affiliates, (ii) a finding or admission of a violation of Applicable Law or violation of the rights of any Person by the Indemnified Party or any of its Affiliates or (iii) a finding or admission that would have an adverse effect on other claims made or threatened against the Indemnified Party or any of its Affiliates.

(d) If the Indemnifying Party (i) elects not to defend the Indemnified Party against a Third Party Claim, whether by not giving the Indemnified Party timely notice of its desire to so defend or otherwise or (ii) after assuming the defense of a Third Party Claim or after receiving a Claim Notice specified in the proviso to the last sentence of Section 6.04(b), fails to take reasonable steps necessary to defend diligently such Third Party Claim within ten (10) days after receiving written notice from the Indemnified Party to the effect that the Indemnifying Party has so failed, the Indemnified Party shall have the right but not the obligation to assume its own defense; it being understood that the Indemnified Party’s right to indemnification for a Third Party Claim shall not be adversely affected by assuming the defense of such Third Party Claim. The Indemnified Party shall not settle a Third Party Claim without the consent of the Indemnifying Party, which consent shall not be unreasonably withheld.

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(e) The Indemnified Party and the Indemnifying Party shall cooperate in order to ensure the proper and adequate defense of a Third Party Claim, including by providing access to each other’s relevant business records and other documents, and employees; it being understood that the reasonable costs and expenses of the Indemnified Party relating thereto shall be Liabilities, subject to indemnification.

(f) The Indemnified Party and the Indemnifying Party shall use commercially reasonable efforts to avoid production of confidential information (consistent with Applicable Law), and to cause all communications among employees, counsel and others representing any party to a Third Party Claim to be made so as to preserve any applicable attorney-client or work-product privileges.

6.05. Procedures for Indemnification of Direct Claims. Any claim for indemnification made directly by the Indemnified Party against the Indemnifying Party that does not result from a Third Party Claim shall be asserted by written notice from the Indemnified Party to the Indemnifying Party specifically claiming indemnification hereunder. Such Indemnifying Party shall have a period of 45 days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such 45-day period, such Indemnifying Party shall be deemed to have accepted responsibility to make payment and shall have no further right to contest the validity of such claim. If such Indemnifying Party does respond within such 45-day period and rejects such claim in whole or in part, such Indemnified Party shall be free to pursue resolution as provided in Article IX.

6.06. Adjustments to Liabilities. (a) If an Indemnified Party receives any payment from an Indemnifying Party in respect of any Liabilities and the Indemnified Party could have recovered all or a part of such Liabilities from a Third Party (a “Potential Contributor”) based on the underlying claim or demand asserted against such Indemnifying Party, such Indemnified Party shall, to the extent permitted by Applicable Law, assign such of its rights to proceed against the Potential Contributor as are necessary to permit such Indemnifying Party to recover from the Potential Contributor the amount of such payment.

(b) If notwithstanding Section 6.06(a) an Indemnified Party receives an amount from a Third Party in respect of a Liability that is the subject of indemnification hereunder after all or a portion of such Liability has been paid by an Indemnifying Party pursuant to this Agreement, the Indemnified Party shall promptly remit to the Indemnifying Party the excess (if any) of (i) the amount paid by the Indemnifying Party in respect of such Liability, plus the amount received from the Third Party in respect thereof, over (ii) the full amount of the Liability.

(c) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation rights with respect thereto, it being expressly understood and agreed that no insurer or any other Third Party shall be entitled to a “wind-fall” (i.e., a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification provisions hereof.

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6.07. Payments. The Indemnifying Party shall pay all amounts payable pursuant to this Article VI by wire transfer of immediately available funds, promptly following receipt from an Indemnified Party of a bill, together with all accompanying reasonably detailed backup documentation, for a Liability that is the subject of indemnification hereunder, unless the Indemnifying Party in good faith disputes the Liability, in which event it shall so



notify the Indemnified Party. In any event, the Indemnifying Party shall pay to the Indemnified Party, by wire transfer of immediately available funds, the amount of any Liability for which it is liable hereunder no later than three (3) days following any final determination of such Liability and the Indemnifying Party's liability therefor. A "final determination" shall exist when (a) the parties to the dispute have reached an agreement in writing, (b) a court of competent jurisdiction shall have entered a final and non-appealable order or judgment, or (c) an arbitration or like panel shall have rendered a final non-appealable determination with respect to disputes the parties have agreed to submit thereto.

6.08. Contribution. If the indemnification provided for in this Article VI shall, for any reason, be unavailable or insufficient to hold harmless the Indemnified Party hereunder in respect of any Liability, then each Indemnifying Party shall, in lieu of indemnifying such Indemnified Party, contribute to the amount paid or payable by such Indemnified Party as a result of such Liability, in such proportion as shall be sufficient to place the Indemnified Party in the same position as if such Indemnified Party were indemnified hereunder, the Parties intending that their respective contributions hereunder be as close as possible to the indemnification under Sections 6.02 and 6.03. If the contribution provided for in the previous sentence shall, for any reason, be unavailable or insufficient to put the Indemnified Party in the same position as if it were indemnified under Section 6.02 or 6.03, as the case may be, then the Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liability, in such proportion as shall be appropriate to reflect the relative benefits received by and the relative fault of the Indemnifying Party on the one hand and the Indemnified Party on the other hand with respect to the matter giving rise to the Liability.

6.09. Remedies Cumulative. The remedies provided in this Article VI shall be cumulative and, subject to the provisions of Article IX, shall not preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

6.10. Survival of Indemnities. The rights and obligations of each of the Separate-cos and their respective Indemnified Parties under this Article VI shall survive the distribution, sale or other transfer by any Party of any Assets or the delegation or assignment by it of any Liabilities.

6.11. Shared Liabilities. Notwithstanding anything to the contrary contained in this Agreement:

(a) In order to facilitate the defense of any Shared Liability, the Parties agree that (i) the relevant Parties shall cooperate in the defense of any Shared Liability; (ii) each relevant Party shall be responsible for the costs of its own in-house counsel and other internal personnel in the defense of any Shared Liability; (iii) IAC shall be entitled to control the defense and/or settlement of any Shared Liability, although each relevant Spinco shall be entitled to

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observe with counsel of its own selection and at its own expense; provided, however, that after the Effective Time IAC shall not settle all or any portion of any Shared Liability unless any remaining Liability of any Spinco and its Affiliates and their respective current and former officers and directors relating to the Shared Liability will be fully released as a result of such settlement.

(b) The Parties agree to act in good faith and to use their reasonable best efforts to preserve and maximize the insurance benefits due to be provided under all policies of insurance and to cooperate with one another as necessary to permit each other to access or obtain the benefits under those policies; provided, however, that nothing hereunder shall be construed to prevent any party or any other Person from asserting claims for insurance benefits or accepting insurance benefits provided by the policies. The Parties agree to exchange information upon reasonable request of the other Party regarding requests that they have made for insurance benefits, notices of claims, occurrences and circumstances that they have submitted to the insurance companies or other entities managing the policies, responses they have received from those insurance companies or entities, including any payments they have received from the insurance companies and any agreements by the insurance companies to make payments, and any other information that the Parties may need to determine the status of the insurance policies and the continued availability of benefits thereunder.

(c) If any Party receives notice or otherwise learns of the assertion by any person or entity (including a Governmental Authority) of a Shared Liability, that Party shall give the other Parties written notice of such Shared Liability, providing notice of such Shared Liability in reasonable detail. The failure to give notice under this subsection shall not relieve any Party of its Liability for any Shared Liability except to the extent the Party is actually prejudiced by the failure to give such notice. The Parties shall be deemed to be on notice of any Shared Liability pending prior to the Effective Time.

## ARTICLE VII INSURANCE

7.01. Insurance Matters. (a) Each Spinco does hereby, for itself and each other member of its Corresponding Group, agree that no member of the IAC Group or any IAC Indemnified Party shall have any liability whatsoever as a result of the insurance policies and practices of IAC and its Affiliates as in effect at any time prior to the Effective Time, including as a result of the level or scope of any such insurance, the creditworthiness of any insurance carrier, the terms and conditions of any policy, the adequacy or timeliness of any notice to any insurance carrier with respect to any claim or potential claim or otherwise; provided this Section 7.01(a) shall not negate IAC's agreement under Section 7.01(b).

(b) IAC agrees to use its reasonable best efforts to cause the interest and rights of each Spinco and the other members of its Corresponding Group as of the Relevant Time as insureds or beneficiaries or in any other capacity under occurrence-based insurance policies and programs (and under claims-made policies and programs to the extent a claim has been submitted prior to the Relevant Time) of IAC or any other member of the IAC Group in respect of periods prior to the Relevant Time to survive the Relevant Time for the period for which such interests and rights would have survived without regard to the transactions contemplated hereby

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to the extent permitted by such policies, and IAC shall continue to administer such policies and programs on behalf of the relevant Spinco and the other relevant members of the Spinco Groups, subject to such Spinco's reimbursement to IAC and the other relevant members of the IAC Group for the actual out-of-pocket costs of such ongoing administration and the internal costs (based on the proportion of the amount of time actually spent on such matter to such employee's normal working time) of any employee or agent of IAC of any other relevant member of the IAC Group who will be required to spend at least ten percent of his or her normal working time over any ten (10) Business Days working with respect to any such matter on behalf of a Spinco or any member of

its Corresponding Group. Any proceeds received by IAC or any other member of the IAC Group after the Relevant Time under such policies and programs in respect of a Spinco or other members of its Corresponding Group shall be for the benefit of such Spinco and such other members.

(c) This Agreement is not intended as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the IAC Group in respect of any insurance policy or any other contract or policy of insurance.

(d) Nothing in this Agreement shall be deemed to restrict any member of any Spinco Group from acquiring at its own expense any other insurance policy in respect of any Liabilities or covering any period.

## ARTICLE VIII EXCHANGE OF INFORMATION; CONFIDENTIALITY

8.01. Agreement for Exchange of Information; Archives. (a) Without limiting any rights or obligations under any Ancillary Agreement between the Parties and/or any other member of their respective Groups relating to confidentiality, each Party agrees to provide, and to cause its Representatives, its Group members and its respective Group members' Representatives to provide, to the other Groups and any member thereof (a "Requesting Party"), at any time before, on or after the Effective Time, subject to the provisions of Section 8.04 and as soon as reasonably practicable after written request therefor, any Information within the possession or under the control of such Party or one of such Persons which the Requesting Party reasonably needs (i) to comply with reporting, disclosure, filing or other requirements imposed on the Requesting Party (including under applicable securities laws) by a Governmental Authority having jurisdiction over the Requesting Party, (ii) for use in any other judicial, regulatory, administrative or other proceeding or in order to satisfy audit, accounting, claims, regulatory, litigation or similar requirements of the Requesting Party, in each case other than claims or allegations that one Party to this Agreement or any of its Group members has or brings against the other Party or any of its Group members, or (iii) subject to the foregoing clause (ii) above, to comply with its obligations under this Agreement or any Ancillary Agreement; provided, however, that in the event that any Party determines that any such provision of Information could be commercially detrimental, violate any Applicable Law or agreement, or waive any attorney-client privilege, the Parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence. More particularly, and without limitation to the generality of the foregoing sentence, the Parties agree

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that the provisions of the Tax Sharing Agreement shall govern with respect to the sharing of Information relating to Tax.

(b) After the Effective Time, each Spinco and the other members of its Spinco Group shall have access during regular business hours (as in effect from time to time), and upon reasonable advance notice, to the documents and objects of historical significance that relate to the Spun Businesses, the Spun Assets or the Spun Entities with respect to such Spinco and that are located in archives retained or maintained by (i) IAC or any other member of the IAC Group or (ii) by another Spinco or any other member of another Spinco Group. Each Spinco and the other members of its Spinco Group may obtain copies (but not originals) of documents for bona fide business purposes and may obtain objects for exhibition purposes for commercially reasonable periods of time if required for bona fide business purposes, provided that (i) such Spinco shall cause any such objects to be returned promptly, at such Spinco's expense, in the same condition in which they were delivered to such Spinco or to any member of its Spinco Group and (ii) such Spinco and the other members of its Spinco Group shall comply with any rules, procedures or other requirements, and shall be subject to any restrictions (including prohibitions on removal of specified objects), that are then applicable to such other Separate-co or such other member of such other Separate-co's Group. In any event, the foregoing shall not be deemed to restrict the access of IAC or any other member of the IAC Group to any such documents or objects. Nothing herein shall be deemed to impose any Liability on IAC or any other member of the IAC Group if documents or objects referred to in this Section 9.01 are not maintained or preserved by IAC or any other member of the IAC Group. Alternatively, IAC, acting reasonably, may request from any Spinco and any other member of such Spinco's Group that they provide IAC with reasonable advance notice, with a list of the requested Information that relates to the relevant Spun Businesses, the Spun Assets or the Spun Entities and IAC shall use, and shall cause the other members of the IAC Group that are in possession of the Information requested to use, commercially reasonable efforts to locate all requested Information that is owned or possessed by IAC or any of its Group members or Representatives. IAC will make available all such Information for inspection by the relevant Spinco or any other relevant member of any Spinco Group during normal business hours at the place of business reasonably designated by IAC. Subject to such confidentiality or security obligations as IAC or the other relevant members of its Group may reasonably deem necessary, the Spinco and the other relevant members of the Spinco Groups may have all requested Information duplicated. Alternatively, IAC or the other relevant members of the IAC Group may choose to deliver to a Spinco, at such Spinco's expense, all requested Information in the form reasonably requested by such Spinco or any other member of its Group. At IAC's request, such Spinco shall cause such Information when no longer needed to be returned to IAC at such Spinco's expense.

(c) With respect to the other Spinco Groups and the IAC Group, each Spinco shall make available and shall cause its Corresponding Group to make available to the other Spinco Groups and the IAC Group at least the level of access provided by the IAC Group under Section 8.01(b) to all Spinco Groups.

8.02. Ownership of Information. Any Information owned by a Party or any of its Group members and that is provided to a Requesting Party pursuant to Section 8.01 shall be deemed to remain the property of the providing party. Unless specifically set forth herein or in

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any Ancillary Agreement, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

8.03. Compensation for Providing Information. The Party requesting Information agrees to reimburse the providing Party for the reasonable costs, if any, of creating, gathering and copying such Information, to the extent that such costs are incurred for the benefit of the Requesting Party. Except as may be otherwise specifically provided elsewhere in this Agreement, in the Ancillary Agreements, or in any other agreement between the Parties, such costs shall be computed in accordance with the providing Party's standard methodology and procedures.

8.04. Record Retention. To facilitate the possible exchange of Information pursuant to this Article VIII and other provisions of this Agreement after the Effective Time, the Parties agree to use commercially reasonable efforts to retain, and to cause the members of their respective Group to retain, all Information in their respective possession or control at the Effective Time in accordance with the policies of the IAC Group as in effect at the

Effective Time or such other policies as may be reasonably adopted by the appropriate Party after the Effective Time. No Party will destroy, or permit any member of its Group to destroy, any Information which another Party or any member of its Group may have the right to obtain pursuant to this Agreement prior to the fifth (5th) anniversary of the Effective Time without first using commercially reasonable efforts to notify such other Party of the proposed destruction and giving such other Party the opportunity to take possession of such Information prior to such destruction.

8.05. Other Agreements Providing for Exchange of Information. The rights and obligations granted or created under this Article VIII are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of Information set forth in any Ancillary Agreement.

8.06. Production of Witnesses; Records; Cooperation. (a) After the Effective Time, but only with respect to a Third Party Claim, each Party hereto shall use commercially reasonable efforts to, and shall cause the other relevant members of its Group to use commercially reasonable efforts to, make available to a requesting Party or any member of the Group to which such Requesting Party belongs, upon written request, its then former and current Representatives (and the former and current Representatives of its respective Group members) as witnesses and any books, records or other documents within its control (or that of its respective Group members) or which it (or its respective Group members) otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such Representatives) or books, records or other documents may reasonably be required in connection with any Action in which the Requesting Party may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The Requesting Party shall bear all costs and expenses in connection therewith.

(b) If a Party, being entitled to do so under this Agreement, chooses to defend or to seek to settle or compromise any Third Party Claim, the other relevant Party or Parties shall use commercially reasonable efforts to make available to such Party, upon written request, its or their then former and current Representatives and those of its or their respective Group members

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as witnesses and any books, records or other documents within its or their control (or that of its or their respective Group members) or which it or they (or its or their respective Group members) otherwise has or have the ability to make available, to the extent that any such Person (giving consideration to business demands of such Representatives) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, as the case may be.

(c) Without limiting the foregoing, the Parties shall cooperate and consult, and shall cause their respective Group members to cooperate and consult, to the extent reasonably necessary with respect to any Actions (except in the case of an Action by one Party against another).

(d) The obligation of the Parties to provide witnesses pursuant to this Section 8.06 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses inventors and other employees without regard to whether the witness or the employer of the witness could assert a possible business conflict (subject to the limitation set forth in the first sentence of Section 8.06(a) regarding Third Party Claims).

(e) In connection with any matter contemplated by this Section 8.06, the relevant Parties will enter into, and shall cause all other relevant members of their respective Groups to enter into, a mutually acceptable joint defense agreement so as to maintain to the extent practicable any applicable attorney-client privilege or work-product privileges of any member of any Group.

8.07. Confidentiality. (a) Subject to Section 8.08, each Separate-co shall hold, and shall cause its respective Group members and its respective Affiliates (whether now an Affiliate or hereafter becoming an Affiliate) and its Representatives to hold, in strict confidence, with at least the same degree of care that applies to IAC's confidential and proprietary Information pursuant to policies in effect as of the Effective Time, all confidential and proprietary Information concerning another Group (or any member thereof) that is either in such Separate-co's possession (including Information in its possession prior to the date hereof) or furnished by any other Group (or any member thereof) or by any of such other Group's Affiliates (whether now an Affiliate or hereafter becoming an Affiliate) or their respective Representatives at any time pursuant to this Agreement or any Ancillary Agreement or the transactions contemplated hereby or thereby (any such Information referred to herein as "Confidential Information"), and shall not use, and shall cause its respective Group members, Affiliates and Representatives not to use, any such Confidential Information other than for such purposes as shall be expressly permitted hereunder or thereunder. Notwithstanding the foregoing, Confidential Information shall not include Information that is or was (i) in the public domain other than by the breach of this Agreement or by breach of any other agreement relating to confidentiality between or among the relevant Parties and/or their respective Group members, their respective Affiliates or Representatives, (ii) lawfully acquired by such disclosing Party (or any member of the Group to which such Party belongs or any of such Party's Affiliates) from a Third Party not bound by a confidentiality obligation, or (iii) independently generated or developed by Persons who do not have access to, or descriptions of, any such confidential or

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proprietary Information of the other Parties (or any member of the Group to which such other Party belongs).

(b) Each Party shall maintain, and shall cause its respective Group members to maintain, policies and procedures, and develop such further policies and procedures as will from time to time become necessary or appropriate, to ensure compliance with Section 8.07(a).

(c) Each Party agrees not to release or disclose, or permit to be released or disclosed, any Confidential Information to any other Person, except its Representatives who need to know such Confidential Information (who shall be advised of their obligations hereunder with respect to such Confidential Information), except in compliance with Section 8.08. Without limiting the foregoing, when any Information furnished by another Party after the Effective Time pursuant to this Agreement or any Ancillary Agreement is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, such Party will promptly, after request of the furnishing Party and at the election of the Party receiving such request, destroy or return to the furnishing Party all such Information in a printed or otherwise tangible form (including all copies thereof and all notes, extracts or summaries based thereon), and destroy all Information in an electronic or otherwise intangible form and certify to the furnishing Party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon). Notwithstanding the foregoing, the Parties agree that to the extent some Information to be destroyed or returned is retained as data or records for the purpose of business continuity planning or is otherwise not accessible in the

Ordinary Course of Business, such data or records shall be destroyed in the Ordinary Course of Business in accordance, if applicable, with the business continuity plan of the applicable Party.

8.08. Protective Arrangements. In the event that any Party or any member of its Group or any Affiliate of such Party or any of their respective Representatives either determines that it is required to disclose any Confidential Information (the “Disclosing Party”) pursuant to Applicable Law or receives any demand under lawful process or from any Governmental Authority to disclose or provide Confidential Information of another Party (or any member of the Group to which such other Party belongs) (the “Providing Party”), the Disclosing Party shall, to the extent permitted by Applicable Law, promptly notify the Providing Party prior to the Disclosing Party disclosing or providing such Confidential Information and shall use commercially reasonable efforts to cooperate with the Providing Party so that the Providing Party may seek any reasonable protective arrangements or other appropriate remedy and/or waive compliance with this Section 8.08. All expenses reasonably incurred by the Disclosing Party in seeking a protective order or other remedy will be borne by the Providing Party. Subject to the foregoing, the Disclosing Party may thereafter disclose or provide such Confidential Information to the extent (but only to the extent) required by such Applicable Law (as so advised by legal counsel) or by lawful process or by such Governmental Authority and shall promptly provide the Providing Party with a copy of the Confidential Information so disclosed, in the same form and format as disclosed, together with a list of all Persons to whom such Confidential Information was disclosed.

8.09. Disclosure of Third Party Information. Each Spinco acknowledges that it and the other members of its respective Group may have in its or their possession confidential or proprietary Information of Third Parties that was received under confidentiality or non-disclosure

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agreements with such Third Party while it or they were part of the IAC Group. Each Spinco will hold, and will cause the other members of its Group and its and their respective Representatives to hold, in strict confidence the confidential and proprietary Information of Third Parties to which such Spinco or any other member of its respective Group has access, in accordance with the terms of any agreements entered into prior to the Effective Time between one or more members of another Group (whether acting through, on behalf of, or in connection with, the Spun Businesses) and such Third Parties.

## ARTICLE IX DISPUTE RESOLUTION

### 9.01. Interpretation; Agreement to Resolve Disputes.

(a) In the event of any ambiguous provision in this Agreement or in any Ancillary Agreement, or any inconsistency or conflict between or among the provisions of this Agreement and one or more Ancillary Agreements or between or among the provisions of the Ancillary Agreements, IAC’s interpretation of such ambiguity or resolution of such inconsistency or conflict shall be final and binding unless such interpretation or resolution is unreasonable or clearly erroneous; it being understood and agreed that the reasonableness of an interpretation or resolution shall be assessed without regard to whether such interpretation or resolution happens to be in IAC’s self-interest.

(b) Except as otherwise specifically provided in any Ancillary Agreement, the procedures for discussion, negotiation and dispute resolution set forth in this Article IX shall apply to all disputes, controversies or claims (whether sounding in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement or any Ancillary Agreement, or the transactions contemplated hereby or thereby (including all actions taken in furtherance of the transactions contemplated hereby or thereby on or prior to the date hereof), or the commercial or economic relationship of the Parties relating hereto or thereto, between or among any member of any Group on the one hand and any other Group on the other hand. Each Party agrees on behalf of itself and each member of its respective Group that the procedures set forth in this Article IX shall be the sole and exclusive procedures in connection with any dispute, controversy or claim relating to any of the foregoing matters and irrevocably waives any right to commence any Action in or before any Governmental Authority, except as otherwise required by Applicable Law.

9.02. Dispute Resolution; Mediation. (a) Any Party (a “Claimant Party”) may commence the dispute resolution process of this Section 9.02 by giving the other Party or Parties with whom there is such a controversy, claim or dispute written notice (a “Dispute Notice”) of any controversy, claim or dispute of whatever nature arising out of or relating to this Agreement or the breach, termination, enforceability or validity thereof (a “Dispute”) which has not been resolved in the normal course of business. The relevant Parties shall attempt in good faith to resolve any Dispute by negotiation among executives of such Parties (“Senior Party Representatives”) who have authority to settle the Dispute and who are at a higher level of management than the persons who have direct responsibility for the administration of this Agreement. Within 15 days after delivery of the Dispute Notice, the receiving Party or Parties (the “Responding Parties” and, together with the Claimant Party, the “Dispute Parties”) shall

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submit to the other Dispute Party or Parties a written response (the “Response”). The Dispute Notice and the Response shall include (i) a statement setting forth the position of the Dispute Party giving such notice and a summary of arguments supporting such position and (ii) the name and title of such Dispute Party’s Senior Party Representative and any other persons who will accompany the Senior Party Representative at the meeting at which the Dispute Parties will attempt to settle the Dispute. Within 30 days after the delivery of the Dispute Notice, the Senior Party Representatives of the Dispute Parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the Dispute. The Dispute Parties shall cooperate in good faith with respect to any reasonable requests for exchanges of information regarding the Dispute or a Response thereto.

(b) If the Dispute has not been resolved within 60 days after delivery of the Dispute Notice, or if the Dispute Parties fail to meet within 30 days after delivery of the Dispute Notice as hereinabove provided, the Dispute Parties shall make a good faith attempt to settle the Dispute by mediation pursuant to the provisions of this Section 9.02 before resorting to arbitration contemplated by Section 9.03 or any other dispute resolution procedure that may be agreed by the Dispute Parties.

(c) All negotiations, conferences and discussions pursuant to this Section 9.02 shall be confidential and shall be treated as compromise and settlement negotiations. Nothing said or disclosed, nor any document produced, in the course of such negotiations, conferences and discussions that is not otherwise independently discoverable shall be offered or received as evidence or used for impeachment or for any other purpose in any current or future arbitration.

(d) Unless the Dispute Parties agree otherwise, the mediation shall be conducted in accordance with the CPR Institute for Dispute Resolution Model Procedure for Mediation of Business Disputes in effect on the date of this Agreement by a mediator selected by the Dispute Parties.

(e) Within 30 days after the mediator has been selected as provided above, all Dispute Parties and their respective attorneys shall meet with the mediator for one mediation session of at least four hours, it being agreed that each representative of a Dispute Party attending such mediation session shall be a Senior Party Representative with authority to settle the Dispute. If the Dispute cannot be settled at such mediation session or at any mutually agreed continuation thereof, any of the Dispute Parties may give the other and the mediator a written notice declaring the mediation process at an end.

9.03. Arbitration. If the Dispute has not been resolved by the dispute resolution process described in Section 9.02, the Dispute Parties agree that any such Dispute shall be settled by binding arbitration before the American Arbitration Association (“AAA”) in Wilmington, Delaware pursuant to the Commercial Rules of the AAA. Any arbitrator(s) selected to resolve the Dispute shall be bound exclusively by the laws of the State of Delaware without regard to its choice of law rules. Any decisions of award of the arbitrator(s) will be final and binding upon the Dispute Parties and may be entered as a judgment by the Dispute Parties hereto. Any rights to appeal or review such award by any court or tribunal are hereby waived to the extent permitted by law.

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9.04. Costs. The costs of any mediation or arbitration pursuant to this Article IX shall be shared equally among the Dispute Parties.

9.05. Continuity of Service and Performance. Unless otherwise agreed in writing, the Dispute Parties will continue to provide service and honor all other commitments under this Agreement and each Ancillary Agreement during the course of dispute resolution pursuant to the provisions of this Article IX with respect to all matters not subject to such dispute, controversy or claim.

#### **ARTICLE X FURTHER ASSURANCES**

10.01. Further Assurances. (a) Except as provided in Section 12.01, each Party covenants with and in favor of the other Parties as follows:

(i) prior to, on and after the Effective Time, each Party hereto shall, and shall cause the other relevant members of its Group to, cooperate with the other Parties, and without any further consideration, but at the expense of the requesting Party, to execute, acknowledge and deliver, or use commercially reasonable efforts to cause to be executed and delivered, all instruments, assurances or documents, including instruments of conveyance, assignments and transfers, and to make all filings with, and to obtain all consents, approvals or authorizations of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any Consents or Governmental Authorizations), and to take all such other actions as such Party may reasonably be requested to take by the requesting Party (or any member of its Group) from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to give effect to the provisions, obligations and purposes of this Agreement and the Ancillary Agreements and the transfers of the Spun Businesses and of the Spun Assets and the assignment and assumption of the Spun Liabilities and the other transactions contemplated hereby and thereby; and

(ii) to the extent that IAC or any Spinco discovers at any time following the Effective Time any Asset that was intended to be transferred to any Separate-co or any other member of another Spinco Group pursuant to this Agreement was not so transferred at the Effective Time, IAC and the Spincos shall, or shall cause the other relevant members of their Corresponding Groups to promptly, assign and transfer to such Separate-co or another member of such Separate-co's Group reasonably designated by such Separate-co such Asset and all right, title and interest therein in a manner and on the terms consistent with the relevant provisions of this Agreement, including, without limitation, Section 2.17(b). Similarly, to the extent that IAC or any Spinco discovers at any time following the Effective Time any Asset that was intended to be retained by IAC or any other member of the IAC Group was not so retained at the Effective Time, the relevant Spinco shall, or shall cause the other relevant members of its Group to promptly to, assign and transfer to IAC or any other member of the IAC Group reasonably designated by IAC such Asset and all right, title and interest therein in a manner and on the terms consistent with the relevant provisions of this Agreement, including, without limitation, Section 2.17(b). For the avoidance of doubt, the transfer of any Assets under

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this paragraph (a) shall be effected without any additional consideration by any Party hereunder (such deferred transfers being referred to as “Deferred Transactions”).

(b) On or prior to the Effective Time, each of the Separate-cos, in their respective capacities as direct and indirect parent companies of the members of their respective Groups, shall each approve or ratify any actions of the members of their respective Groups as may be necessary or desirable to give effect to the transactions contemplated by this Agreement and the Ancillary Agreements.

(c) Prior to the Effective Time, if a Party identifies any commercial or other service that is needed to assure a smooth and orderly transition of the businesses in connection with the consummation of the transactions contemplated hereby, and that is not otherwise governed by the provisions of this Agreement or any Ancillary Agreement, the relevant Parties will cooperate in determining whether there is a mutually acceptable arms' length basis on which the such Party can provide such service.

#### **ARTICLE XI CERTAIN OTHER MATTERS**

11.01. Auditors and Audits; Annual and Quarterly Financial Statements and Accounting. Each Party agrees that during the one hundred and eighty (180) days following the Effective Time and in any event solely with respect to the preparation and audit of each of IAC's and each Spinco's financial statements for the year ended December 31, 2008, the printing, filing and public dissemination of such financial statements, the audit of IAC's internal control over financial reporting and management's assessment thereof and management's assessment of IAC's disclosure controls and procedures, in each case made as of December 31, 2008:

(a) Date of Spinco Auditors' Opinions. Each Spinco shall use commercially reasonable efforts to enable such Spinco's auditors (in each case, such auditors, the "Spinco Auditor") to complete their audit such that they will date their opinion on such Spinco's audited annual financial statements on the same date that the IAC's auditors (the "IAC Auditor") date their opinion on IAC's audited annual financial statements (except to the extent an earlier date is necessary to comply with SEC rules), and to enable IAC to meet its timetable for the printing, filing and public dissemination of IAC's annual financial statements.

(b) Annual Financial Statements. Each (i) Separate-co shall provide to the other Separate-cos on a timely basis all Information reasonably required to meet such Separate-co's schedule for the preparation, printing, filing, and public dissemination of its annual financial statements and for management's assessment of the effectiveness of its disclosure controls and procedures in accordance with Item 307 of Regulation S-K and (ii) each Spinco shall provide to the IAC on a timely basis all Information reasonably required to meet IAC's schedule for its report on internal control over financial reporting in accordance with Item 308 of Regulation S-K and its auditor's audit of its internal control over financial reporting and management's assessment thereof in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 and the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder (such assessments and audit being referred to as the "2008 Internal Control Audit and Management Assessments"). Without limiting the generality of the foregoing, each Separate-co

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will provide all required financial and other Information with respect to such Separate-co and its Subsidiaries to its respective auditors in a sufficient and reasonable time and in sufficient detail to permit its respective auditors to take all steps and perform all reviews necessary to provide sufficient assistance to the IAC Auditor and each other Spinco Auditor with respect to respective Information to be included or contained in the annual financial statements of such other Separate-co and to permit the IAC Auditor and IAC's management to all complete the 2008 Internal Control Audit and Management Assessments.

(c) Access to Personnel and Books and Records.

(i) Each Spinco (an "Authorizing Spinco") shall authorize its respective Spinco Auditor (the "Authorized Auditor") to make available to each of the IAC Auditor and the Spinco Auditor of each other Spinco both the personnel who performed or are performing the annual audits of the Authorizing Spinco and work papers related to the annual audits of the Authorizing Spinco, in all cases within a reasonable time prior to the Authorized Auditor's opinion date, so that (A) the IAC Auditor is able to perform the procedures it considers necessary to take responsibility for the work of the Authorized Auditor as it relates to the IAC Auditor's report on IAC's financial statements, all within sufficient time to enable IAC to meet its timetable for the printing, filing and public dissemination of IAC's annual financial statements; and (B) each such other Spinco Auditor is able to perform the procedures it considers necessary to take responsibility for the work of the Authorized Auditor as it relates to the relevant Spinco Auditor's report on such Spinco's financial statements, all within sufficient time to enable such Spinco to meet its timetable for the printing, filing and public dissemination of such Spinco's annual financial statements.

(ii) IAC shall authorize the IAC Auditor to make available to each Spinco Auditor both the personnel who performed or are performing the annual audits of IAC and work papers related to the annual audits of IAC, in all cases within a reasonable time prior to the IAC Auditor's opinion date, so that each Spinco Auditor is able to perform the procedures it considers necessary to take responsibility for the work of the IAC Auditor as it relates to such Spinco Auditor's report on the relevant Spinco's financial statements, all within sufficient time to enable such Spinco to meet its timetable for the printing, filing and public dissemination of such Spinco's annual financial statements.

(iii) Each Spinco shall make available to the IAC Auditor and IAC's management such Spinco's personnel and such Spinco's books and records in a reasonable time prior to the IAC Auditor's opinion date and IAC's management's assessment date so that the IAC Auditor and IAC's management are able to perform the procedures they consider necessary to conduct the 2008 Internal Control Audit and Management Assessments.

(d) Spinco Annual Reports. Each Spinco will deliver to IAC a substantially final draft, as soon as the same is prepared, of the first report to be filed with the SEC that includes such Spinco's audited financial statements for the year ended December 31, 2008 (such Spinco's "Corresponding Annual Report"); provided, however, that a Spinco may continue to

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revise such Corresponding Annual Report prior to the filing thereof, which changes will be delivered to IAC as soon as reasonably practicable; provided, further, that the respective personnel of IAC and each Spinco will actively consult with each other regarding any changes which a Spinco may consider making to its Corresponding Annual Report and related disclosures prior to the anticipated filing with the SEC, with particular focus on any changes which would have an effect upon IAC's financial statements or related disclosures.

Nothing in this Section 11.01 shall require any Party to violate any agreement with any Third Party regarding the confidentiality of confidential and proprietary Information relating to that Third Party or its business; provided, however, that in the event that a Party is required under this Section 11.01 to disclose any such Information, such Party shall use commercially reasonable efforts to seek to obtain such Third Party Consent to the disclosure of such Information.

## ARTICLE XII SOLE DISCRETION OF IAC; TERMINATION

12.01. Sole Discretion of IAC. Notwithstanding any other provision of this Agreement, until the occurrence of the applicable Relevant Time, IAC shall have the sole and absolute discretion:

(a) to determine whether to proceed with all or any part of the Separation, including any Separation Transaction, or any or all of the Distributions, and to determine the timing of and any and all conditions to the completion of the Separation and the Distributions or any part thereof or of any other transaction contemplated by this Agreement; and

(b) to amend or otherwise change, delete or supplement, from time to time, any term or element of the Separation, including any Separation Transaction, or any or all of the Distributions or any other transaction contemplated by this Agreement.

12.02. Termination. (a) This Agreement and all Ancillary Agreements may be terminated and the transactions contemplated hereby may be amended, supplemented, modified or abandoned in any respect at any time prior to the Effective Time of the first Distribution to occur, by and in the sole and absolute discretion of IAC without the approval of any Spinco or of the stockholders of IAC. In the event of such termination, no Party shall have any liability of any kind to any other Party or any other Person.

(b) After the Effective Time of the first Distribution to occur, this Agreement may not be terminated to the extent the rights and obligations provided for hereunder are between and among IAC and those Spincos the Distribution of which shall have previously occurred except by an agreement in writing signed by the relevant Parties; provided, that IAC in its sole discretion may abandon one or more of the Distributions the Distribution date of which shall not yet have occurred and, by notice to the other Spincos, shall have the right to terminate (subject to the last sentence of Section 1.04(b)) this Agreement and the Ancillary Agreements to the extent of the rights and obligations provided between the Spinco(s) the Distribution of which shall have been abandoned and the Spincos the Distribution of which shall have previously occurred.

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### ARTICLE XIII MISCELLANEOUS

13.01. Limitation of Liability. In no event shall any member of any Group be liable to any member of any other Group for any special, consequential, indirect, collateral, incidental or punitive damages or lost profits or failure to realize expected savings or other commercial or economic loss of any kind, however caused and on any theory of liability (including negligence) arising in any way out of this Agreement, whether or not such Person has been advised of the possibility of any such damages; provided, however, that the foregoing limitations shall not limit any Party's indemnification obligations for Liabilities with respect to Third Party Claims as set forth in Article VI. The provisions of Article IX shall be the Parties' sole recourse for any breach hereof or any breach of the Ancillary Agreements.

13.02. Counterparts. This Agreement and each Ancillary Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties thereto and delivered to the other party or parties.

13.03. Entire Agreement. This Agreement, the Ancillary Agreements, and the Schedules and Exhibits hereto and thereto and the specific agreements contemplated hereby or thereby contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, oral or written, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter. No agreements or understandings exist between the Parties other than those set forth or referred to herein or therein.

13.04. Construction. In this Agreement and each of the Ancillary Agreements, unless a clear contrary intention appears:

(a) the singular number includes the plural number and vice versa;

(b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement or the relevant Ancillary Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(c) reference to any gender includes each other gender;

(d) reference to any agreement, document or instrument means such agreement, document or instrument as amended, modified, supplemented or restated, and in effect from time to time in accordance with the terms thereof subject to compliance with the requirements set forth herein or in the relevant Ancillary Agreement;

(e) reference to any Applicable Law means such Applicable Law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Applicable Law means that provision of such Applicable Law from time to time

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in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

(f) "herein," "hereby," "hereunder," "hereof," "hereto" and words of similar import shall be deemed references to this Agreement or to the relevant Ancillary Agreement as a whole and not to any particular article, section or other provision hereof or thereof;

(g) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term;

(h) the Table of Contents and headings are for convenience of reference only and shall not affect the construction or interpretation hereof or thereof;

(i) with respect to the determination of any period of time, "from" means "from and including" and "to" means "to but excluding;"  
and

(j) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

13.05. Signatures. Each Party acknowledges that it and the other Party (and the other members of their respective Groups) may execute certain of the Ancillary Agreements by facsimile, stamp or mechanical signature. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature made in its respective name (or that of the applicable member of its Group) as if it were a manual signature, agrees that it will not assert that any such signature is not adequate to bind such Party to the same extent as if it were signed manually and agrees that at the reasonable request of the other Party at any time it will as promptly as reasonably practicable cause each such Ancillary Agreement to be manually executed (any such execution to be as of the date of the initial date thereof).

13.06. Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the Parties hereto and thereto, respectively, and their respective successors and assigns; provided, however, that except as specifically provided in any Ancillary Agreement, no Party hereto or thereto may assign its respective rights or delegate its respective obligations under this Agreement or any Ancillary Agreement without the express prior written consent of the other parties hereto or thereto.

13.07. Third Party Beneficiaries. Except for the indemnification rights under this Agreement of any Corresponding Indemnified Party in its capacity as such and for the release under Section 6.01 of any Person provided therein and except as specifically provided in any Ancillary Agreement, (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the parties hereto and thereto and their respective successors and permitted assigns and are not intended to confer upon any Person, except the parties hereto and thereto and their respective successors and permitted assigns, any rights or remedies hereunder and (b) there are no third party beneficiaries of this Agreement or any Ancillary Agreement; and neither this Agreement nor any Ancillary Agreement shall provide any Third Party with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

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13.08. Payment Terms. (a) Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount to be paid or reimbursed by one Party to the other under this Agreement shall be paid or reimbursed hereunder within thirty (30) days after presentation of an invoice or a written demand therefor and setting forth, or accompanied by, reasonable documentation or other reasonable explanation supporting such amount.

(b) Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount not paid when due pursuant to this Agreement (and any amount billed or otherwise invoiced or demanded and properly payable that is not paid within thirty (30) days of such bill, invoice or other demand) shall bear interest at a rate per annum equal to the Prime Rate plus 2% (or the maximum legal rate, whichever is lower), calculated for the actual number of days elapsed, accrued from the date on which such payment was due up to the date of the actual receipt of payment.

13.09. Governing Law. Except as set forth in Article IX, this Agreement and each Ancillary Agreement, shall be governed by and construed and interpreted in accordance with the internal laws of the State of Delaware, irrespective of the choice of laws principles of the State of Delaware, as to all matters, including matters of validity, construction, effect, enforceability, performance and remedies.

13.10. Notices. All notices or other communications under this Agreement and, unless expressly provided therein, each Ancillary Agreement, shall be in writing and shall be deemed to be duly given when delivered in person or successfully transmitted by facsimile, addressed as follows:

If to IAC, to:

IAC/InterActiveCorp  
555 West 18th Street  
New York, NY 10011  
Attention: General Counsel  
Telecopier: (212) 632-9642

with a copy to:

Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, NY 10019  
Attention: Pamela S. Seymon, Esq.  
Telecopier: (212) 403-2000

If to TM Spinco:

Ticketmaster  
8800 Sunset Boulevard  
West Hollywood, California 90069  
Attention: General Counsel  
Telecopier: (310) 360-3373

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If to Interval Spinco:

Interval Leisure Group, Inc.  
6262 Sunset Drive  
Miami, Florida 33143  
Attention: General Counsel  
Telecopier: (305) 667-2072



If to HSN Spinco:

1 HSN Drive  
St. Petersburg, Florida 33729  
Attention: General Counsel  
Telecopier: (727) 872-6866

If to Tree Spinco:

11115 Rushmore Drive  
Charlotte, North Carolina 28277  
Attention: General Counsel  
Telecopier: (949) 255-5139

Any Party may, by notice to the other Parties as set forth herein, change the address or fax number to which such notices are to be given.

13.11. Severability. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby or thereby, as the case may be, is not affected in any manner adverse to any party hereto or thereto. Upon such determination, the relevant Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

13.12. Publicity. Prior to the Effective Time, IAC shall be responsible for issuing any press releases or otherwise making public statements with respect to this Agreement, the Separation, the Distributions or any of the other transactions contemplated hereby and thereby, and no Spinco shall make such statements without the prior written consent of IAC. Prior to the Effective Time, the Separate-cos shall each consult with the other prior to making any filings with any Governmental Authority with respect thereto.

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13.13. Survival of Covenants. Except as expressly set forth in this Agreement or any Ancillary Agreement, any covenants, representations or warranties contained in this Agreement and each Ancillary Agreement shall survive the Separation and the Distributions and shall remain in full force and effect.

13.14. Waivers of Default; Conflicts. (a) Waiver by any Party of any default by the other Party of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) Each Party acknowledges that each of the Parties and each member of their respective Group are all currently represented by members of IAC's legal department and IAC's outside counsel. IAC (on behalf of itself and every member of its Group), on the one hand, and each Spinco (on behalf of itself and every member of its Group), on the other hand, waives any conflict with respect to such common representation that may arise before, at or after the Effective Time.

13.15. Amendments. After the Effective Time, no provisions of this Agreement or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives.

IAC/INTERACTIVECORP

By: /s/ Gregg Winiarski  
Name: Gregg Winiarski  
Title: Vice President

HSN, INC.

By: /s/ Mindy Grossman  
Name: Mindy Grossman  
Title: Chief Executive Officer

INTERVAL LEISURE GROUP, INC.

By: /s/ Craig Nash

Name: Craig M. Nash

Title: Chairman, President &  
Chief Executive Officer

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TICKETMASTER

By: /s/ Sean Moriarty

Name: Sean P. Moriarty

Title: President and Chief Executive  
Officer

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TREE.COM, INC.

By: /s/ Douglas R. Lebda

Name: Douglas R. Lebda

Title: Chairman and Chief  
Executive Officer

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## TAX SHARING AGREEMENT

by and among

IAC/INTERACTIVECORP,

TICKETMASTER,

INTERVAL LEISURE GROUP, INC.,

HSN, INC.

and

TREE.COM, INC.

Dated as of  
August 20, 2008

## TAX SHARING AGREEMENT

This TAX SHARING AGREEMENT (this "Agreement"), dated as of August 20, 2008, by and among IAC/InterActiveCorp, a Delaware corporation ("Parent"), Ticketmaster, a Delaware corporation and a wholly-owned subsidiary of Parent ("Ticketmaster Spinco"), Interval Leisure Group, Inc., a Delaware corporation and a wholly-owned subsidiary of Parent ("Interval Spinco"), HSN, Inc., a Delaware corporation and a wholly-owned subsidiary of Parent ("HSN Spinco"), and Tree.com, Inc., a Delaware corporation and a wholly-owned subsidiary of Parent ("Tree Spinco"), together with Ticketmaster Spinco, Interval Spinco, and HSN Spinco, the "Spincos", and each of the Spincos, a "Spinco"). Each of Parent, Ticketmaster Spinco, Interval Spinco, HSN Spinco and Tree Spinco is sometimes referred to herein as a "Party" and collectively, as the "Parties".

## WITNESSETH

WHEREAS, the Parties have entered into a Separation and Distribution Agreement, dated as of August 20, 2008 (the "Separation Agreement"), providing for the restructuring of Parent and its subsidiaries into the Parent Group, the Ticketmaster Spinco Group, the Interval Spinco Group, the HSN Spinco Group, and the Tree Spinco Group (each as defined herein);

WHEREAS, pursuant to the terms of the Separation Agreement, Parent and its subsidiaries will consummate a series of internal restructuring steps (the "Internal Restructuring Steps") described in the Transactions Memo;

WHEREAS, for federal income tax purposes, it is intended that the Internal Distributions (as defined herein) shall qualify as tax-free transactions under Sections 355(a) and/or 368(a)(1)(D) of the Code;

WHEREAS, pursuant to the terms of the Separation Agreement, the Parties will effect the Distributions (as defined herein) and related transactions;

WHEREAS, for federal income tax purposes, it is intended that the Distributions shall qualify as tax-free transactions under Sections 355(a) and/or 368(a)(1)(D) of the Code;

WHEREAS, at the close of business on the Distribution Date of a Spinco, the taxable year of such Spinco shall close for federal income tax purposes; and

WHEREAS, the Parties wish to provide for the payment of Income Taxes and Other Taxes and entitlement to Refunds thereof, allocate responsibility and provide for cooperation in connection with the filing of returns in respect of Income Taxes and Other Taxes, and provide for certain other matters relating to Income Taxes and Other Taxes.

NOW, THEREFORE, in consideration of the premises and the representations, covenants and agreements herein contained and intending to be legally bound hereby, the Parties agree as follows:

1. **Definitions.** Capitalized terms used but not defined herein shall have the respective meanings assigned to them in the Separation Agreement. For purposes of this Agreement, the following terms shall have the meanings set forth below:

"Actually Realized" or "Actually Realizes" shall mean, for purposes of determining the timing of the incurrence of any Spin-Off Tax Liability, Income Tax Liability or Other Tax Liability or the realization of a Refund (or any related Tax cost or benefit), whether by receipt or as a credit or other offset to Taxes payable, by a Person in respect of any payment, transaction, occurrence or event, the time at which the amount of Income Taxes or Other Taxes paid (or Refund realized) by such Person is increased above (or reduced below) the amount of Income Taxes or Other Taxes that such Person would have been required to pay (or Refund that such Person would have realized) but for such payment, transaction, occurrence or event.

"Aggregate Spin-Off Tax Liabilities" shall mean the sum of the Spin-Off Tax Liabilities with respect to each Taxing Jurisdiction.

“Breaching Party” shall have the meaning set forth in Section 8(c) hereof.

“Carryback” shall mean the carryback of a Tax Attribute (including, without limitation, a net operating loss, a net capital loss or a tax credit) by a member of a Spinco Group from a Post-Distribution Taxable Period to a Pre-Distribution Taxable Period during which the member of the Spinco Group was included in a Combined Return filed for such Pre-Distribution Taxable Period.

“Carryback Spinco” shall have the meaning set forth in Section 7(b) hereof.

“Cash Acquisition Merger” shall mean a merger of a newly-formed Subsidiary of a Spinco with a corporation, limited liability company, limited partnership, general partnership or joint venture (in each case, not previously owned directly or indirectly by such Spinco) pursuant to which such Spinco acquires such corporation, limited liability company, limited partnership, general partnership or joint venture solely for cash and no Equity Securities of such Spinco or any Subsidiary of such Spinco are issued, sold, redeemed or acquired, directly or indirectly.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Combined Return” shall mean a consolidated, combined or unitary Income Tax Return or Other Tax Return that includes, by election or otherwise, one or more members of the Parent Group together with one or more members of a Spinco Group.

“Compensatory Equity Interests” shall have the meaning set forth in Section 11(a).

“Delayed Common Stock” shall have the meaning ascribed to such term in the EMA.

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“Distribution” or “Distributions” shall mean, individually or collectively, the Ticketmaster Spinco Distribution, the Interval Spinco Distribution, the HSN Spinco Distribution and the Tree Spinco Distribution.

“Distribution Date” shall mean, with respect to a Spinco, the date on which the Distribution of such Spinco is completed.

“Distribution-Related Proceeding” shall mean any Proceeding in which the IRS, another Tax Authority or any other party asserts a position that could reasonably be expected to adversely affect the Tax-Free Status of any of the Spin-Off-Related Transactions.

“EMA” shall mean the Employee Matters Agreement by and among Parent and the Spinco's dated as of August 20, 2008.

“Employing Party” shall have the meaning set forth in Section 11(a) hereof.

“Equity Securities” shall mean any stock or other securities treated as equity for federal income tax purposes, options, warrants, rights, convertible debt, or any other instrument or security that affords any Person the right, whether conditional or otherwise, to acquire stock or to be paid an amount determined by reference to the value of stock.

“Fifty-Percent or Greater Interest” shall have the meaning ascribed to such term for purposes of Sections 355(d) and (e) of the Code.

“Final Determination” shall mean the final resolution of liability for any Tax, which resolution may be for a specific issue or adjustment or for a taxable period, (a) by IRS Form 870 or 870-AD (or any successor forms thereto), on the date of acceptance by or on behalf of the taxpayer, or by a comparable form under the laws of any other Taxing Jurisdiction, except that a Form 870 or 870-AD or comparable form shall not constitute a Final Determination to the extent that it reserves (whether by its terms or by operation of law) the right of the taxpayer to file a claim for Refund or the right of the Tax Authority to assert a further deficiency in respect of such issue or adjustment or for such taxable period (as the case may be); (b) by a decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and unappealable; (c) by a closing agreement or accepted offer in compromise under Sections 7121 or 7122 of the Code, or a comparable agreement under the laws of any other Taxing Jurisdiction; (d) by any allowance of a Refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such Refund may be recovered (including by way of offset) by the Taxing Jurisdiction imposing such Tax; or (e) by any other final disposition, including by reason of the expiration of the applicable statute of limitations or by mutual agreement of the parties.

“Group” shall mean the Parent Group, the Ticketmaster Spinco Group, the Interval Spinco Group, the HSN Spinco Group or the Tree Spinco Group, as applicable.

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“HSN Spinco Consolidated Group” shall mean the affiliated group of corporations (within the meaning of Section 1504(a) of the Code without regard to the exclusions in Section 1504(b)(1) through (8)) of which HSN Spinco is the common parent, determined immediately after the HSN Spinco Distribution (and any predecessor or successor to such affiliated group other than the Parent Consolidated Group or any other Spinco Consolidated Group).

“HSN Spinco Distribution” shall mean the distribution by Parent of all the common stock of HSN Spinco *pro rata* to holders of Distributing Common Stock and Distributing Class B Common Stock.

“HSN Spinco Group” shall mean (a) HSN Spinco and each Person that is a direct or indirect Subsidiary of HSN Spinco (including any Subsidiary of HSN Spinco that is disregarded for federal Income Tax purposes (or for purposes of any state, local, or foreign tax law)) immediately after the HSN Spinco Distribution after giving effect to the Spin-Off-Related Transactions, (b) any corporation (or other Person) that

shall have merged or liquidated into HSN Spinco or any such Subsidiary and (c) any predecessor or successor to any Person otherwise described in this definition.

“Income Taxes” (a) shall mean (i) any federal, state, local or foreign taxes, charges, fees, imposts, levies or other assessments that are based upon, measured by, or calculated with respect to (A) net income or profits (including, but not limited to, any capital gains, gross receipts, or minimum tax, and any tax on items of tax preference, but not including sales, use, value added, real property gains, real or personal property, transfer or similar taxes), (B) multiple bases (including, but not limited to, corporate franchise, doing business or occupation taxes), if one or more of the bases upon which such tax may be based, by which it may be measured, or with respect to which it may be calculated is described in clause (a)(i) (A) of this definition, or (C) any net worth, franchise or similar tax, in each case together with (ii) any interest and any penalties, fines, additions to tax or additional amounts imposed by any Tax Authority with respect thereto and (b) shall include any transferee or successor liability in respect of an amount described in clause (a) of this definition.

“Income Tax Benefit” shall mean, with respect to a Party and the members of its Group, the excess of (a) the hypothetical Income Tax Liability of the Party and the members of its Group for such taxable period, calculated as if such Carryback had not been utilized but with all other facts unchanged over (b) the actual Income Tax Liability of the Party or the members of its Group for such taxable period, calculated taking into account such Carryback (and treating any Refund as a negative Income Tax Liability for purposes of such calculation).

“Income Tax Return” shall mean any return, report, filing, statement, questionnaire, declaration or other document required to be filed with a Tax Authority in respect of Income Taxes.

“Indemnified Party” shall mean any Person seeking indemnification pursuant to the provisions of this Agreement.

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“Indemnifying Party” shall mean any Party from which any Indemnified Party is seeking indemnification pursuant to the provisions of this Agreement.

“Indemnifying Spinco” shall have the meaning set forth in Section 3(b) hereof.

“Injured Party” shall have the meaning set forth in Section 8(c) hereof.

“Internal Distribution” shall mean any of the Internal Restructuring Steps that is intended to qualify as a tax-free transaction under Section 355(a) and/or 368(a)(1)(D) of the Code.

“Internal Restructuring Steps” shall have the meaning set forth in the recitals to this Agreement.

“Interval” shall mean Interval Acquisition Corp.

“Interval Spinco Consolidated Group” shall mean the affiliated group of corporations (within the meaning of Section 1504(a) of the Code without regard to the exclusions in Section 1504(b)(1) through (8)) of which Interval Spinco is the common parent, determined immediately after the Interval Spinco Distribution (and any predecessor or successor to such affiliated group other than the Parent Consolidated Group or any other Spinco Consolidated Group).

“Interval Spinco Distribution” shall mean the distribution by Parent of all the common stock of Interval Spinco *pro rata* to holders of Distributing Common Stock and Distributing Class B Common Stock.

“Interval Spinco Group” shall mean (a) Interval Spinco and each Person that is a direct or indirect Subsidiary of Interval Spinco (including any Subsidiary of Interval Spinco that is disregarded for federal Income Tax purposes (or for purposes of any state, local, or foreign tax law)) immediately after the Interval Spinco Distribution after giving effect to the Spin-Off-Related Transactions, (b) any corporation (or other Person) that shall have merged or liquidated into Interval Spinco or any such Subsidiary and (c) any predecessor or successor to any Person otherwise described in this definition.

“IRS” shall mean the Internal Revenue Service.

“IRS Ruling” shall mean any private letter ruling issued by the IRS in connection with any of the Spin-Off-Related Transactions.

“IRS Ruling Documents” shall mean the request for a private letter ruling submitted by Parent to the IRS on April 11, 2008, together with the appendices and exhibits thereto, and any supplemental filings or other materials subsequently submitted to the IRS in connection with the Spin-Off-Related Transactions.

“Losses” shall mean any and all losses, liabilities, claims, damages, obligations, payments, costs and expenses, matured or unmatured, absolute or contingent,

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accrued or unaccrued, liquidated or unliquidated, known or unknown (including, without limitation, the costs and expenses of any and all Actions, threatened Actions, demands, assessments, judgments, settlements and compromises relating thereto and attorneys’ fees and any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any such Actions or threatened Actions).

“Option” shall have the meaning ascribed to such term in the EMA.

“Other Tax Returns” shall mean any return, report, filing, statement, questionnaire, declaration or other document required to be filed with a Tax Authority in respect of Other Taxes.

“Other Taxes” shall mean any federal, state, local or foreign taxes, charges, fees, imposts, levies or other assessments of any nature whatsoever, and without limiting the generality of the foregoing, shall include superfund, sales, use, ad valorem, value added, occupancy, transfer, recording, withholding, payroll, employment, excise, occupation, premium or property taxes (in each case, together with any related interest, penalties and additions to tax, or additional amounts imposed by any Tax Authority thereon); provided, however, that Other Taxes shall not include any Income Taxes.

“Parent Consolidated Group” shall mean the affiliated group of corporations (within the meaning of Section 1504(a) of the Code without regard to the exclusions in Section 1504(b)(1) through (8)) of which Parent is the common parent (and any predecessor or successor to such affiliated group).

“Parent Group” shall mean (a) Parent and each Person that is a direct or indirect Subsidiary of Parent (including any Subsidiary of Parent that is disregarded for federal Income Tax purposes (or for purposes of any state, local, or foreign tax law)) immediately after the Distributions after giving effect to the Spin-Off-Related Transactions, (b) any corporation (or other Person) that shall have merged or liquidated into Parent or any such Subsidiary and (c) any predecessor or successor to any Person otherwise described in this definition.

“Parent Separate Return” shall mean any Separate Return required to be filed by Parent or any member of the Parent Group.

“Participating Spinco” shall have the meaning set forth in Section 6(d) hereof.

“Party” or “Parties” shall have the meaning set forth in the recitals to this Agreement.

“Permitted Transaction” shall mean any transaction that satisfies the requirements of Sections 4(c).

“Person” shall mean any individual, partnership, joint venture, limited liability company, corporation, association, joint stock company, trust, unincorporated

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organization or similar entity or a governmental authority or any department or agency or other unit thereof.

“Post-Distribution Taxable Period” shall mean, with respect to a Spinco and its Subsidiaries, a taxable period that begins after the Distribution Date of such Spinco.

“Pre-Distribution Taxable Period” shall mean, with respect to a Spinco and its Subsidiaries, a taxable period that ends on or before the Distribution Date of such Spinco.

“Proceeding” shall mean any audit or other examination, or judicial or administrative proceeding relating to liability for, or Refunds or adjustments with respect to, Taxes.

“Refund” shall mean any refund of Taxes, including any reduction in Tax Liabilities by means of a credit, offset or otherwise.

“Relying Party” shall have the meaning set forth in Section 8(d) hereof.

“Representative” shall mean with respect to a Person, such Person’s officers, directors, employees and other authorized agents.

“Representing Spinco” shall have the meaning set forth in Section 4(a) hereof.

“Requesting Spinco” shall have the meaning set forth in Section 4(c)(ii) hereof.

“Responsible Spinco” shall have the meaning set forth in Section 4(e) hereof.

“Restriction Period” shall mean, with respect to a Spinco, the period beginning on the Distribution Date after the Distribution of such Spinco and ending on the twenty five (25) month anniversary thereof.

“Separate Return” shall mean (a) in the case of any Tax Return required to be filed by any member of a Spinco Group (including any consolidated, combined or unitary return), any such Tax Return that does not include any member of the Parent Group or any member of any other Spinco Group and (b) in the case of any Tax Return required to be filed by any member of the Parent Group (including any consolidated, combined or unitary return), any such Tax Return that does not include any member of a Spinco Group.

“Separation Agreement” shall have the meaning set forth in the recitals of this Agreement.

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“Specified Restructuring Income Taxes” shall mean any Income Taxes of Parent or any entity that is or was a direct or indirect Subsidiary of Parent prior to the Distributions resulting from (a) the transfer of any Equity Securities of Interval to Interval Spinco prior to the Interval Spinco Distribution; (b) any transfer of assets by FLMG Holdings Corp. to TM Spinco or one of its direct or indirect Subsidiaries prior to the TM Spinco Distribution; (c) any Internal Distribution (or portion thereof) failing to achieve Tax-Free Status, (d) the sum of (i) any money and (ii) the fair market value of other property, in each case, transferred by any Spinco or Interval to any shareholder of such Spinco or Interval in connection with a Distribution exceeding (x) such shareholder’s tax basis in its shares of stock of such Spinco or Interval or (y) the net tax basis of

any assets contributed by such shareholder to such Spinco, and (e) the triggering of any excess loss account as a result of the Distributions or the Internal Restructuring Steps.

“Spinco Adjustment” shall mean, with respect to a Spinco, an adjustment of any item of income, gain, loss, deduction or credit on a Combined Return that is attributable to members of such Spinco Group (including, in the case of any state or local consolidated, combined or unitary income or franchise Taxes, a change in one or more apportionment factors of members of a Spinco Group) pursuant to a Final Determination for a Pre-Distribution Taxable Period.

“Spinco Business” shall mean, with respect to a Spinco, each trade or business actively conducted (within the meaning of Section 355(b) of the Code) by such Spinco or any member of its respective Spinco Group immediately after the Distribution of such Spinco, as set forth in the IRS Ruling Documents (if applicable) and the Tax Opinion Documents.

“Spinco Consolidated Group” or “Spinco Consolidated Groups” shall mean, individually or collectively, the Ticketmaster Spinco Consolidated Group, the Interval Spinco Consolidated Group, the HSN Spinco Consolidated Group, and the Tree Spinco Consolidated Group.

“Spinco Group” or “Spinco Groups” shall mean, individually or collectively, the Ticketmaster Spinco Group, the Interval Spinco Group, the HSN Spinco Group, and the Tree Spinco Group.

“Spinco Separate Return” shall mean any Separate Return required to be filed by a Spinco or any member of its respective Spinco Group, including, without limitation, (a) any consolidated federal Income Tax Returns of the Spinco Consolidated Group required to be filed with respect to a Post-Distribution Taxable Period and (b) any consolidated federal Income Tax Returns for any group of which any member of the Spinco Group was the common parent.

“Spin-Off-Related Transactions” shall mean, with respect to a Distribution of a Spinco, any related contribution of assets to, and assumption of liabilities by, such Spinco, the Distribution of such Spinco and any Internal Restructuring

Steps associated with such Distribution, in each case, as described in the Transactions Memo.

“Spin-Off Tax Liabilities” shall mean, with respect to any Taxing Jurisdiction, the sum of (a) any increase in a Tax Liability (or reduction in a Refund) Actually Realized as a result of any corporate-level gain or income recognized with respect to the failure of any of the Spin-Off-Related Transactions to qualify for Tax-Free Status under the Income Tax laws of such Taxing Jurisdiction pursuant to any settlement, Final Determination, judgment, assessment, proposed adjustment or otherwise, (b) interest on such amounts calculated pursuant to such Taxing Jurisdiction’s laws regarding interest on Tax liabilities at the highest Underpayment Rate in such Taxing Jurisdiction from the date such additional gain or income was recognized until full payment with respect thereto is made pursuant to Section 3 hereof (or in the case of a reduction in a Refund, the amount of interest that would have been received on the foregone portion of the Refund but for the failure of any of the Spin-Off-Related Transactions to qualify for Tax-Free Status), and (c) any penalties actually paid to such Taxing Jurisdiction that would not have been paid but for the failure of any of the Spin-Off-Related Transactions to qualify for Tax-Free Status in such Taxing Jurisdiction.

“Supplying Party” shall have the meaning set forth in Section 8(d) hereof.

“Tax Attribute” shall mean a consolidated, combined or unitary net operating loss, net capital loss, unused investment credit, unused foreign tax credit, or excess charitable contribution (as such terms are used in Treasury Regulations 1.1502-79 and 1.1502-79A or comparable provisions of foreign, state or local tax law), or a minimum tax credit or general business credit.

“Tax Authority” shall mean a governmental authority (foreign or domestic) or any subdivision, agency, commission or authority thereof or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or imposition of any Tax (including, without limitation, the IRS).

“Tax Benefits” shall have the meaning set forth in Section 3(a) hereof.

“Tax Counsel” shall mean tax counsel or an accounting firm of recognized national standing that is acceptable to Parent in its sole discretion.

“Taxes” shall mean Income Taxes and Other Taxes.

“Tax-Free Status” shall mean, with respect to a Distribution, the qualification of each of the Spin-Off-Related Transactions (other than the transfer by Parent of its membership interests in LendingTree, LLC to LendingTree Holdings Corp.) as (a) a transaction described in Sections 355(a) and/or 368(a)(1)(D) of the Code (or, in the case of the Internal Restructuring Steps associated with a Distribution, the qualification of such Internal Restructuring Steps as one or more transactions that are generally tax-free for federal income tax purposes pursuant to Section 351, Section 355, Section 368(a), Sections 332 and 337, or otherwise), (b) except with respect to the Distribution of Tree Spinco, as a transaction in which the stock distributed thereby is

“qualified property” for purposes of Section 361(c) of the Code, and (c) as a transaction in which the Parties and the members of their respective Groups recognize no income or gain other than intercompany items or excess loss accounts, if any, taken into account pursuant to the Treasury Regulations promulgated pursuant to Section 1502 of the Code.

“Taxing Jurisdiction” shall mean the United States and every other government or governmental unit having jurisdiction to tax one or more of the Parties or any of their respective Affiliates.

“Tax Liabilities” shall mean any liabilities for Taxes.

“Tax Opinions” shall mean the tax opinions issued by Tax Counsel in connection with the Spin-Off-Related Transactions.

“Tax Opinion Documents” shall mean the Tax Opinions and the information and representations provided by, or on behalf of, the Parties to Tax Counsel in connection therewith.

“Tax-Related Losses” shall mean:

- (a) the Aggregate Spin-Off Tax Liabilities,
- (b) all accounting, legal and other professional fees, and court costs incurred in connection with any settlement, Final Determination, judgment or other determination with respect to such Aggregate Spin-Off Tax Liabilities, and
- (c) all costs, expenses and damages associated with stockholder litigation or controversies and any amount paid by a Party in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Tax Authority payable by a Party or its respective Affiliates, in each case, resulting from the failure of any of the Spin-Off-Related Transactions to qualify for Tax-Free Status.

“Ticketmaster Spinco Consolidated Group” shall mean the affiliated group of corporations (within the meaning of Section 1504(a) of the Code without regard to the exclusions in Section 1504(b)(1) through (8)) of which Ticketmaster Spinco is the common parent, determined immediately after the Ticketmaster Spinco Distribution (and any predecessor or successor to such affiliated group other than the Parent Consolidated Group or any other Spinco Consolidated Group).

“Ticketmaster Spinco Distribution” shall mean the distribution by Parent of all the common stock of Ticketmaster Spinco *pro rata* to holders of Distributing Common Stock and Distributing Class B Common Stock.

“Ticketmaster Spinco Group” shall mean (a) Ticketmaster Spinco and each Person that is a direct or indirect Subsidiary of Ticketmaster Spinco (including any Subsidiary of Ticketmaster Spinco that is disregarded for federal Income Tax purposes (or for purposes of any state, local, or foreign tax law)) immediately after the Ticketmaster Spinco Distribution after giving effect to the Spin-Off-Related

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Transactions, (b) any corporation (or other Person) that shall have merged or liquidated into Ticketmaster Spinco or any such Subsidiary and (c) any predecessor or successor to any Person otherwise described in this definition.

“Tree Spinco Consolidated Group” shall mean the affiliated group of corporations (within the meaning of Section 1504(a) of the Code without regard to the exclusions in Section 1504(b)(1) through (8)) of which Tree Spinco is the common parent, determined immediately after the Tree Spinco Distribution (and any predecessor or successor to such affiliated group other than the Parent Consolidated Group or any other Spinco Consolidated Group).

“Tree Spinco Distribution” shall mean the distribution by Parent of all the common stock of Tree Spinco *pro rata* to holders of Distributing Common Stock and Distributing Class B Common Stock.

“Tree Spinco Group” shall mean (a) Tree Spinco and each Person that is a direct or indirect Subsidiary of Tree Spinco (including any Subsidiary of Tree Spinco that is disregarded for federal Income Tax purposes (or for purposes of any state, local, or foreign tax law)) immediately after the Tree Spinco Distribution after giving effect to the Spin-Off-Related Transactions, (b) any corporation (or other Person) that shall have merged or liquidated into Tree Spinco or any such Subsidiary and (c) any predecessor or successor to any Person otherwise described in this definition.

“Underpayment Rate” shall mean the annual rate of interest described in Section 6621(c) of the Code for large corporate underpayments of Income Tax (or similar provision of state, local, or foreign Income Tax law, as applicable), as determined from time to time.

“Unqualified Tax Opinion” shall mean an unqualified opinion of Tax Counsel on which Parent may rely to the effect that a transaction (a) will not disqualify any of the Spin-Off-Related Transactions from having Tax-Free Status, assuming that the Spin-Off-Related Transactions would have qualified for Tax-Free Status if such transaction did not occur, and (b) will not adversely affect any of the conclusions set forth in the IRS Ruling (if applicable) or the Tax Opinions; provided, that any tax opinion obtained in connection with a proposed acquisition of Equity Securities of a Spinco (or any entity treated as a successor to such Spinco), other than Tree Spinco, entered into during the Restriction Period shall not qualify as an Unqualified Opinion unless such tax opinion concludes that such proposed acquisition will not be treated as “part of a plan (or series of related transactions),” within the meaning of Section 355(e) of the Code and the Treasury Regulations promulgated thereunder, that includes the Distribution of such Spinco.

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## 2. Filing of Tax Returns; Payment of Taxes.

### (a) Filing of Tax Returns; Payment of Income Taxes and Other Taxes.

(i) Parent Consolidated Returns; Other Combined Returns. Parent shall prepare and file or cause to be prepared and filed (A) all consolidated federal Income Tax Returns of the Parent Consolidated Group and (B) all other Combined Returns for all taxable periods that end, with respect to a Spinco, on or before the Distribution Date of such Spinco. Parent shall pay, or cause to be paid, any and all Taxes due or required to be paid with respect to or required to be reported on any such Tax Return (in each case, including any increase in such Tax Liabilities attributable to a Final



Determination with respect to a Pre-Distribution Taxable Period (including a Spinco Adjustment); provided that Parent shall not be responsible for any Spinco Adjustment if the Spinco Group to which such Spinco Adjustment relates fails to promptly provide such cooperation as is requested by Parent in connection with Parent's conduct of the Proceeding to which such Final Determination relates).

(ii) Parent Separate Returns. Parent shall prepare and file or cause to be prepared and filed all Parent Separate Returns for all taxable periods. Parent shall pay, or cause to be paid, any and all Taxes due or required to be paid with respect to or required to be reported on any Parent Separate Return (including any increase in such Tax Liabilities attributable to a Final Determination).

(iii) Spinco Adjustments. If a Spinco fails to promptly provide such cooperation as is requested by Parent in connection with Parent's conduct of a Proceeding relating to a Spinco Adjustment with respect to such Spinco, such Spinco shall pay and shall be responsible for any Tax Liabilities (including any Specified Restructuring Income Tax Liabilities) attributable to such Spinco Adjustment.

(iv) Spinco Separate Returns. Each Spinco shall prepare and file or cause to be prepared and filed its respective Spinco Separate Returns for all taxable years. Each Spinco shall pay, or cause to be paid, any and all Taxes due or required to be paid with respect to or required to be reported on its Spinco Separate Returns (including any increase in such Tax Liabilities attributable to a Final Determination).

(b) Preparation of Tax Returns.

(i) Parent (or its designee) shall determine the entities to be included in any Combined Return and make or revoke any Tax elections, adopt or change any Tax accounting methods, and determine any other position taken on or in respect of any Tax Return required to be prepared and filed by Parent pursuant to Section 2(a)(i) or (ii). Any Tax Return filed by Parent pursuant to Section 2(a)(i) with respect to any Pre-Distribution Taxable Period shall, to the extent relating to one or more of the Spincos or their respective Spinco Groups, be prepared in good faith. For the avoidance of doubt, with respect to the consolidated federal income tax return of Parent and its subsidiaries for any taxable year that includes one or more Distributions, Parent shall determine in its sole discretion whether to elect ratable allocation under Treasury Regulation Section 1.1502-76. Each Spinco shall, and shall cause each member of its respective Spinco Group to, take all actions necessary to give effect to such

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election. Each Spinco shall, and shall cause each member of its respective Spinco Group to, prepare and submit at Parent's request (but in no event later than 90 days after such request), at its own expense, all information that Parent shall reasonably request, in such form as Parent shall reasonably request, including any such information requested to enable Parent to prepare any Tax Return required to be filed by Parent pursuant to Section 2(a)(i).

(ii) Except as otherwise required by applicable law or as a result of a Final Determination, (A) no Party shall, or permit or cause any member of its respective Group to, take any position that is either inconsistent with the treatment of the Spin-Off-Related Transactions as having Tax-Free Status (or analogous status under state, local or foreign law) and, (B) no Spinco shall, or permit or cause any member of its respective Spinco Group to, take any position with respect to an item of income, deduction, gain, loss, or credit on a Tax Return, or otherwise treat such item in a manner which is inconsistent with the manner such item is reported on a Tax Return required to be prepared or filed by Parent pursuant to Section 2(a) hereof (including, without limitation, the claiming of a deduction previously claimed on any such Tax Return).

3. Indemnification for Income Taxes and Other Taxes.

(a) Indemnification by Parent. From and after the Distribution of a Spinco, except as otherwise provided in Sections 3(b) and 3(c), Parent and each member of the Parent Group shall be responsible for and shall jointly and severally indemnify, defend and hold harmless such Spinco and each member of its Spinco Group and each of its Representatives and Affiliates (and the heirs, executors, successors and assigns of any of them) from and against (i) all Spin-Off Tax Liabilities incurred by any member of the Parent Group, (ii) without duplication, all Tax Liabilities that any member of the Parent Group is required to pay pursuant to Section 2, (iii) all Taxes, Spin-Off Tax Liabilities and Tax-Related Losses incurred by any member of any Group by reason of the breach by Parent or a member of the Parent Group of any of its representations or covenants hereunder or made in connection with the IRS Ruling (if applicable) and/or the Tax Opinions and, in each case, any related costs and expenses (including, without limitation, reasonable attorneys' fees and expenses), and (iv) all Specified Restructuring Income Taxes; provided, however, that neither Parent nor any member of the Parent Group shall have any obligation to indemnify, defend or hold harmless any Person pursuant to this Section 3(a) to the extent that such indemnification obligation is otherwise attributable to a breach by a Spinco (or a member of its Group) of any of its representations or covenants hereunder or made in connection with the IRS Ruling (if applicable) and/or the Tax Opinions; provided further, that (x) in the event that an IRS Ruling is not obtained with respect to the Distribution of a Spinco, neither Parent nor such Spinco shall be deemed to make any representations regarding such Distribution in the IRS Ruling Documents, and (y) no Spinco makes any representations regarding any facts that, if untrue, would result in Specified Restructuring Income Taxes (other than representations regarding (1) whether such Spinco is engaged in the active conduct of a trade or business within the meaning of Section 355(b) of the Code, (2) such Spinco's conduct after the Distribution, and (3) the matters set forth in Section 4(a)(iii) hereof). If the indemnification obligation of Parent or any member of the Parent Group under this Section 3(a) (or any adjustment for which Parent is responsible pursuant to this Section 3(a), including any adjustment with respect to a Tax Return for which Parent is responsible pursuant to Section

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2(a)(i) results in (i) increased deductions, losses, or credits, or (ii) decreases in income, gains or recapture of Tax credits ("Tax Benefits") to a Spinco or any member of such Spinco's Group, which would not, but for the indemnification obligation (or the adjustment giving rise to such indemnification obligation), be allowable, then each Spinco receiving such Tax Benefit shall pay Parent the amount by which such Tax Benefit actually reduces, in cash, the amount of Tax that such Spinco or any member of its Spinco Group would have been required to pay and bear (or increases, in cash, the amount of a Refund to which such Spinco or any member of its Spinco Group would have been entitled) but for such indemnification obligation (or adjustment giving rise to such indemnification obligation). Each Spinco receiving the Tax Benefit shall pay Parent for such Tax Benefit no later than five days after such Tax Benefit is Actually Realized.

(b) Indemnification by Spincos. From and after the Distribution Date of a Spinco, such Spinco (an "Indemnifying Spinco") and each member of its Spinco Group shall be responsible for and shall jointly and severally indemnify, defend and hold harmless each other Party and the members of each other Party's respective Group and their respective Representatives and Affiliates (and the heirs, executors, successors and assigns of any of

them) from and against (i) all Tax Liabilities (including Specified Restructuring Income Taxes), Spin-Off Tax Liabilities and Tax-Related Losses that the Indemnifying Spinco or any member of its Spinco Group is required to pay under Section 2(a)(iii) and (iv) or is responsible for under Section 4(e) (including, without limitation, any Tax Liabilities or Spin-Off Tax Liabilities or Tax-Related Losses arising with respect to a Permitted Transaction for which the Indemnifying Spinco is liable pursuant to Section 4(e)(i)); provided, that a Spinco shall not be responsible for (and Parent shall indemnify such Spinco for) Specified Restructuring Income Taxes payable with respect to any Tax Return described in Section 2(a)(iv) except to the extent such Spinco is responsible for such Taxes under clause (ii) hereof; (ii) all Taxes (including Specified Restructuring Income Taxes), Spin-Off Tax Liabilities and other Tax-Related Losses incurred by any member of any Group by reason of the breach by the Indemnifying Spinco or any member of its Spinco Group of any of its representations or covenants hereunder or made in connection with the IRS Ruling (if applicable) and/or the Tax Opinions (irrespective of whether Parent made the same representation on behalf of, or with respect to, such Spinco) and, in each case, any related costs and expenses (including, without limitation, reasonable attorneys' fees and expenses); provided, that (x) in the event that an IRS Ruling is not obtained with respect to the Distribution of a Spinco, such Spinco shall not be deemed to make any representations regarding such Distribution in the IRS Ruling Documents, and (y) no Spinco makes any representations regarding any facts that, if untrue, would result in Specified Restructuring Income Taxes (other than representations regarding (1) whether such Spinco is engaged in the active conduct of a trade or business within the meaning of Section 355(b) of the Code, (2) such Spinco's conduct after the Distribution, and (3) the matters set forth in Section 4(a)(iii) hereof). If the indemnification obligation of a Spinco or any member of its Spinco Group under this Section 3(b) (or any adjustment for which such Spinco is responsible pursuant to this Section 3(b)) results in a Tax Benefit to another Party or any member of such other Party's Group, which would not, but for the Tax which is the subject of the indemnification obligation (or the adjustment giving rise to such indemnification obligation), be allowable, then each Party receiving such Tax Benefit shall pay the Indemnifying Spinco the amount by which such Tax Benefit actually reduces, in cash, the amount of Tax that the Party or any member of its Group would have been required to pay and bear (or increases, in cash, the amount of a Refund to which the Party or any member of its Group would have been entitled) but for such

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indemnification (or adjustment giving rise to such indemnification obligation). Each Party receiving such Tax Benefit shall pay the Indemnifying Spinco for such Tax Benefit no later than five days after such Tax Benefit is Actually Realized.

(c) Spinco Group Indemnification Failure. In the event that (i) pursuant to a Final Determination, any member of a Spinco Group is liable for, or otherwise required to make a payment in respect of, Spin-Off Tax Liabilities for which such Spinco Group is not responsible pursuant to this Agreement and (ii) full indemnification cannot be obtained from the Spinco Group responsible for such Spin-Off Tax Liabilities pursuant to this Agreement, Parent and each member of the Parent Group shall jointly and severally indemnify, defend and hold harmless the Spinco referred to in clause (i) and each member of its Spinco Group and each of its respective Representatives and Affiliates (and the heirs, executors, successors and assigns of any of them) from and against the portion of such liability for which full indemnification cannot be obtained from the Spinco Group referred to in clause (ii). Upon any payment by Parent or any member of the Parent Group in accordance with the preceding sentence, Parent or such member of the Parent Group shall be subrogated to any and all rights (including rights to payment and causes of action, under this Agreement or otherwise) of each member of the Spinco Group described in clause (i) in connection with the Final Determination at issue.

(d) Timing of Indemnification Payments. Any payment and indemnification made pursuant to this Section 3 shall be made by the Indemnifying Party promptly, but, in any event, no later than:

(i) in the case of an indemnification obligation with respect to any Tax Liabilities or Spin-Off Tax Liabilities, the later of (A) five Business Days after the Indemnified Party notifies the Indemnifying Party and (B) five Business Days prior to the date the Indemnified Party is required to make a payment of taxes, interest, or penalties to the applicable Tax Authority (including a payment with respect to an assessment of a tax deficiency by any Taxing Jurisdiction or a payment made in settlement of an asserted tax deficiency) or realizes a reduced Refund; and

(ii) in the case of any payment or indemnification of any Losses not otherwise described in clause (i) of this Section 3(d) (including, but not limited to, any Losses described in clause (b) or (c) of the definition of Tax-Related Losses, attorneys' fees and expenses and other indemnifiable Losses), the later of (A) five Business Days after the Indemnified Party notifies the Indemnifying Party and (B) five Business Days prior to the date the Indemnified Party makes a payment thereof.

#### 4. Spin-Off Related Matters.

(a) Representations.

(i) IRS Ruling Documents and Tax Opinion Documents. Each Spinco (a "Representing Spinco") hereby represents and warrants that (A) such Representing Spinco has examined the IRS Ruling Documents and the Tax Opinion Documents (including, without limitation, the representations to the extent that they relate to the plans, proposals, intentions, and policies of the Representing Spinco or any member of its Spinco Group, or the

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Spinco Business of such Spinco Group), and (B) to the extent in reference to such Representing Spinco, any member of its Spinco Group, or the Spinco Business of such Spinco Group, the facts presented and the representations made therein are true, correct and complete; provided, that (x) in the event that an IRS Ruling is not obtained with respect to the Distribution of a Spinco, such Spinco shall not be deemed to make any representations regarding such Distribution in the IRS Ruling Documents, and (y) no Spinco makes any representations regarding any facts that, if untrue, would result in Specified Restructuring Income Taxes (other than representations regarding (1) whether such Spinco is engaged in the active conduct of a trade or business within the meaning of Section 355(b) of the Code, (2) such Spinco's conduct after the Distribution, and (3) the matters set forth in Section 4(a)(iii) hereof).

(ii) Tax-Free Status. Each Representing Spinco hereby represents and warrants that it has no plan or intention of taking any action, or failing to take any action, in each case, from and after its respective Distribution that could reasonably be expected to cause any representation or factual statement made in this Agreement, the Separation Agreement, the IRS Ruling Documents, the Tax Opinion Documents or any of the Ancillary Agreements to be untrue; provided, that, in the event that an IRS Ruling is not obtained with respect to the Distribution of a Spinco, such Spinco shall not be deemed to make any representations regarding the IRS Ruling Documents.

(iii) Plan or Series of Related Transactions. Each Representing Spinco hereby represents and warrants that, during the two-year period ending on the Distribution Date of such Spinco, there was no “agreement, understanding, arrangement, substantial negotiations or discussions” (as such terms are defined in Treasury Regulation Section 1.355-7(h)) by any one or more officers or directors of any member of such Spinco Group or by any other person or persons with the implicit or explicit permission of one or more of such officers or directors regarding an acquisition of all or a significant portion of the Equity Securities of such Spinco (or any predecessor); provided that no representation is made by any Spinco regarding any “agreement, understanding, arrangement, substantial negotiations or discussions” (as such terms are defined in Treasury Regulation 1.355-7(h)) by any one or more officers or directors of Parent.

(b) Covenants.

(i) Actions Consistent with Representations and Covenants. From and after its respective Distribution, no Spinco (or any member of its respective Spinco Group) shall take any action, or fail to take any action or permit any member of its respective Group, to fail to take any action, where such action or failure to act would be inconsistent with or cause to be untrue any material information, covenant or representation made in connection with the IRS Ruling (if applicable), the Tax Opinions, the Separation Agreement or this Agreement.

(ii) Preservation of Tax-Free Status; Spinco Business. From and after its respective Distribution, no Spinco shall (A) take any action or permit any member of its respective Spinco Group to take any action, and each Spinco shall not fail to take any action or permit any member of its respective Spinco Group to fail to take any action, in each case, unless such action or failure to act could not reasonably be expected to cause any of the Spin-Off-Related Transactions to fail to have Tax-Free Status or could not require any of the Parties to

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reflect a liability or reserve for Income Taxes with respect to any of the Spin-Off-Related Transactions in its financial statements, and (B) until the first day after the Restriction Period, engage in any transaction that could reasonably be expected to result in it or any member of its respective Spinco Group ceasing to be a company engaged in its respective Spinco Business.

(iii) Sales, Issuances and Redemptions of Equity Securities. From and after its respective Distribution until the first day after the Restriction Period applicable to a Spinco, such Spinco shall not and shall not agree to (and shall cause the members of its respective Spinco Group not to and not to agree to) sell or otherwise issue to any Person, or redeem or otherwise acquire from any Person, any Equity Securities of such Spinco or any member of its Spinco Group; provided, however, that (A) the adoption of a shareholder rights plan shall not constitute a sale or issuance of Equity Securities, (B) a Spinco may issue Equity Securities to the extent the issuance satisfies Safe Harbor VIII (relating to acquisitions in connection with a person’s performance of services) or Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulation Section 1.355-7(d), and (C) members of a Spinco Group (other than a Spinco) may issue or sell Equity Securities to other members of the same Spinco Group, and may redeem or purchase Equity Securities from other members of the same Spinco Group, in each case, to the extent not inconsistent with the Tax-Free Status of the Spin-Off Related Transactions. Anything in this Section 4(b)(iii) to the contrary notwithstanding, there shall be no limitation on the ability of Tree Spinco to issue Equity Securities of Tree Spinco (or any member of its Group to issue Equity Securities of such member) to any Person, or to redeem or otherwise acquire from any Person, any Equity Securities of Tree Spinco or any member of its Group; provided that any redemption or acquisition of Equity Securities of Tree Spinco by Tree Spinco or any member of its Spinco Group prior to (or pursuant to an agreement or arrangement negotiated, in whole or in part, prior to) the first anniversary of the Distribution Date of Tree Spinco shall be permitted only if such transaction satisfies the requirements of Section 4.05(1)(b) of Revenue Procedure 96-30.

(iv) Tender Offers; Other Business Combination Transactions. From and after its respective Distribution, until the first day after the Restriction Period applicable to a Spinco, such Spinco shall (and shall cause the members of its Spinco Group) not to (A) solicit any Person to make a tender offer for, or otherwise acquire or sell, Equity Securities of such Spinco, (B) participate in or support any unsolicited tender offer for, or other acquisition or disposition of, Equity Securities of such Spinco, or (C) approve or otherwise permit any transaction described in clauses (A) or (B). In addition, no Spinco (nor any members of its respective Spinco Group) shall at any time, whether before or subsequent to the expiration of the Restriction Period applicable to such Spinco, engage in any action described in clauses (A), (B) or (C) of the preceding sentence pursuant to an agreement or arrangement negotiated (in whole or in part) prior to the first anniversary of the Distribution of such Spinco, even if at the time of the Distribution or thereafter such action is subject to one or more conditions. Anything in this Section 4(b)(iv) to the contrary notwithstanding, unless (x) such action is taken prior to the first anniversary of the Distribution Date of Tree Spinco (or pursuant to an agreement or arrangement negotiated, in whole or in part, prior to the first anniversary of the Distribution Date of Tree Spinco) and (y) relates to a “subsequent sale or exchange” (within the meaning of Treasury Regulation Section 1.355-2(d)(2) (iii) (taking into account clause (E) thereof) of Tree Spinco stock, the limitations described in this Section 4(b)(iv) shall not apply to Tree Spinco (or any member of its Spinco Group).

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(v) Dispositions of Assets. From and after its respective Distribution until the first day after the Restriction Period, no Spinco (nor any member of its respective Spinco Group) shall sell, transfer, or otherwise dispose of or agree to sell, transfer or otherwise dispose (including in any transaction treated for federal income tax purposes as a sale, transfer or disposition) of assets (including, any shares of capital stock of a Subsidiary) that, in the aggregate, constitute more than 30% of the gross assets of such Spinco or more than 30% of the consolidated gross assets of such Spinco Group. The foregoing sentence shall not apply to (A) sales, transfers, or dispositions of assets in the ordinary course of business, (B) any cash paid to acquire assets from an unrelated Person in an arm’s-length transaction, or (C) any assets transferred to a Person that is disregarded as an entity separate from the transferor for federal income tax purposes or (D) any mandatory or optional repayment (or pre-payment) of any indebtedness of such Spinco (or any member of its Spinco Group). The percentages of gross assets or consolidated gross assets of such Spinco or its respective Spinco Group, as the case may be, sold, transferred, or otherwise disposed of, shall be based on the fair market value of the gross assets of such Spinco and the members of its respective Spinco Group as of the Distribution Date of such Spinco. For purposes of this Section 4(b)(v), a merger of a Spinco or one of its Subsidiaries with and into any Person shall constitute a disposition of all of the assets of such Spinco or such Subsidiary.

(vi) Liquidations, Mergers, Reorganizations. From and after its respective Distribution until the first day after the Restriction Period, no Spinco (nor any of its Subsidiaries) shall, or shall agree to, voluntarily dissolve or liquidate (including by converting into an entity that is treated as a “disregarded entity” or partnership for federal income tax purposes) or engage in any transaction involving a merger (except for a Cash Acquisition Merger), consolidation or other reorganization; provided, that, mergers of direct or indirect wholly-owned Subsidiaries of a Spinco solely with

and into such Spinco or with other direct or indirect wholly-owned Subsidiaries of such Spinco, and liquidations of such Spinco's wholly-owned subsidiaries are not subject to this Section 4(b)(vi) to the extent not inconsistent with the Tax-Free Status of the Spin-Off-Related Transactions.

(c) Permitted Transactions.

(i) Anything in Sections 4(b)(iii) and 4(b)(iv) to the contrary notwithstanding, a Spinco (or any member of its Group) shall not be prohibited from entering into or consummating a transaction otherwise prohibited solely by Section 4(b)(iii) or 4(b)(iv), if such transaction, together with any other transaction or transactions previously permitted pursuant to this Section 4(c)(i), would not result in one or more Persons acquiring, directly or indirectly, Equity Securities representing a 10% or greater interest, by vote or value, in such Spinco (or any successor thereto) pursuant to one or more transactions that have not been approved by Parent pursuant to Section 4(c)(ii). In the event the transaction at issue is a redemption or purchase of Equity Securities of a Spinco by such Spinco or a member of its Spinco Group prior to (or pursuant to an agreement or arrangement negotiated, in whole or in part, prior to) the first anniversary of the Distribution Date of such Spinco, such transaction shall be permitted only if it also satisfies the requirements of Section 4.05(1)(b) of Revenue Procedure 96-30.

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(ii) Notwithstanding the restrictions otherwise imposed by Sections 4(b)(iii) through 4(b)(vi), during the Restriction Period, a Spinco (the "Requesting Spinco") may (i) issue, sell, redeem or otherwise acquire (or cause a member of its respective Spinco Group to issue, sell, redeem or otherwise acquire) its own Equity Securities or Equity Securities of any member of its respective Spinco Group in a transaction that would otherwise breach the covenant set forth in Section 4(b)(iii) (determined after giving effect to Section 4(c)(i)), (ii) approve, participate in, support or otherwise permit a proposed business combination or transaction that would otherwise breach the covenant set forth in Section 4(b)(iv) (determined after giving effect to Section 4(c)(i)), (iii) sell or otherwise dispose of its assets or the assets of any member of its respective Spinco Group in a transaction that would otherwise breach the covenant set forth in Section 4(b)(v), or (iv) merge itself or any member of its respective Spinco Group with another entity without regard to which party is the surviving entity in a transaction that would otherwise breach the covenant set forth in Section 4(b)(vi), if and only if such transaction would not violate Section 4(b)(i) or Section 4(b)(ii) and prior to entering into any agreement contemplating a transaction described in clauses (i), (ii), (iii) or (iv) of this Section 4(c)(ii), and prior to consummating any such transaction: (X) the Requesting Spinco obtains Parent's written consent (which may be withheld in Parent's sole discretion), (Y) the Requesting Spinco provides Parent with an Unqualified Tax Opinion (or, subject to Section 4(d)(iii), a private letter ruling), in each case, in form and substance satisfactory to Parent in its sole and absolute discretion exercised in good faith (and in determining whether an opinion or ruling is satisfactory, Parent may consider, among other factors, the appropriateness of any underlying assumptions and management's representations if used as a basis for the opinion or supplemental ruling), or (Z) the Requesting Spinco shall request that Parent obtain a private letter ruling (or, if applicable, a supplemental private letter ruling) in accordance with Section 4(d)(ii) of this Agreement to the effect that such transaction will not affect the Tax-Free Status of any of the Spin-Off-Related Transactions and Parent shall have received such private letter ruling, in form and substance satisfactory to Parent in its sole and absolute discretion, exercised in good faith. Notwithstanding the foregoing, with respect to any action or transaction involving an acquisition of the Requesting Spinco's stock entered into at least 18 months after the Distribution Date of the Requesting Spinco, the Requesting Spinco shall be permitted to consummate such transaction if it delivers an unconditional officer's certificate establishing facts evidencing that such acquisition satisfies the requirements of Safe Harbor III in Treasury Regulation Section 1.355-7(d), and Parent, after due diligence, is satisfied with the accuracy of such certification.

(d) Private Letter Rulings and Restrictions on the Spincos.

(i) Private Letter Ruling at Parent's Request. Parent shall have the right to obtain a private letter ruling (or, if applicable, a supplemental private letter ruling) in its sole discretion. If Parent determines to obtain a private letter ruling, each Spinco shall (and shall cause each member of its respective Spinco Group to) cooperate with Parent and take any and all actions reasonably requested by Parent in connection with obtaining the private letter ruling (including, without limitation, by making any representation or covenant or providing any materials or information requested by any Tax Authority; provided that none of the Spincos shall be required to make (or cause any member of their respective Spinco Groups to make) any representation or covenant that is inconsistent with historical facts or as to future matters or events over which it has no control).

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(ii) Private Letter Rulings at Spinco's Request. Parent agrees that at the reasonable request of a Requesting Spinco pursuant to Section 4(c), Parent shall (and shall cause each member of the Parent Group to) cooperate with the Requesting Spinco and use reasonable efforts to seek to obtain, as expeditiously as reasonably practicable, a private letter ruling (or supplemental private letter ruling) from the IRS for the purpose of confirming compliance on the part of the Requesting Spinco or any member of its respective Spinco Group with its obligations under Section 4(b) of this Agreement. Further, in no event shall Parent be required to file any request for a private letter ruling under this Section 4(d)(ii) unless the Requesting Spinco represents that (A) it has reviewed the request for the private letter ruling and any materials, appendices and exhibits submitted or filed therewith, and (B) all information and representations, if any, relating to any member of the Requesting Spinco's Spinco Group contained in the IRS Ruling Documents (if applicable) or Tax Opinion Documents are true, correct and complete in all material respects. The Requesting Spinco shall reimburse Parent for all reasonable costs and expenses incurred by the Parent Group in obtaining a private letter ruling requested by the Requesting Spinco within 10 Business Days after receiving an invoice from Parent therefor. Each Spinco hereby agrees that Parent shall have sole and exclusive control over the process of obtaining a private letter ruling, and that only Parent shall have the right to apply for a private letter ruling relating to any of the Spin-Off Related Transactions. In connection with obtaining a private letter ruling pursuant to this Section 4(d)(ii), (A) Parent shall, to the extent practicable, consult with the Requesting Spinco reasonably in advance of taking any material action in connection therewith; (B) Parent shall (1) reasonably in advance of the submission of any documents to the IRS provide the Requesting Spinco with a draft copy thereof, (2) reasonably consider the Requesting Spinco's comments on such documents, and (3) provide the Requesting Spinco with copies of all documents submitted to or received from the Tax Authority in connection with such ruling request; and (C) Parent shall provide the Requesting Spinco with notice reasonably in advance of, and the Requesting Spinco shall have the right to attend and participate in, any formally scheduled meetings with any Tax Authority (subject to the approval of the Tax Authority) that relate to such supplemental private letter ruling.

(iii) Prohibition on the Spincos. Each Spinco hereby agrees that, except to the extent permitted by Section 4(d)(ii) or as otherwise consented to by Parent in writing, neither it nor any member of its respective Spinco Group shall seek any guidance from the IRS or any other Tax Authority (whether written, verbal or otherwise) concerning any of the Spin-Off-Related Transactions (or the impact of any transaction on any of the Spin-Off-Related Transactions).

(e) Liability of each Spinco for Undertaking Certain Actions. Notwithstanding anything in this Agreement to the contrary, each Spinco (a "Responsible Spinco") and the members of its respective Spinco Group shall be responsible for any and all Tax-Related Losses that are attributable to, or result from:

(i) any act or failure to act by the Responsible Spinco or any member of its respective Spinco Group, which action or failure to act is inconsistent with any of the covenants set forth in Sections 4(b)(i) through 4(b)(vi) of this Agreement, in each case, determined without regard to any of the exceptions or provisos contained in such provisions or in Section 4(c)), expressly including, for this purpose, any Permitted Transaction and any act or

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failure to act that is inconsistent with Section 4(b)(i) or 4(b)(ii), regardless of whether such act or failure to act is permitted by Sections 4(b)(iii) through 4(b)(vi);

(ii) any acquisition or disposition of Equity Securities of the Responsible Spinco or any member of its respective Spinco Group occurring after the Distribution of such Spinco by any Person or Persons (including, without limitation, as a result of an issuance of the Responsible Spinco's Equity Securities or a merger of another entity with and into the Responsible Spinco or any member of its respective Spinco Group) or any acquisition of assets of the Responsible Spinco or any member of its respective Spinco Group (including, without limitation, as a result of a merger) occurring after the Distribution of such Spinco by any Person or Persons; and

(iii) any breach by the Responsible Spinco or any member of its Spinco Group of a representation or covenant made in this Agreement, the Separation Agreement, any Ancillary Agreement, or any documents relating to the IRS Ruling or the Tax Opinions; provided, that (x) in the event that an IRS Ruling is not obtained with respect to the Distribution of a Spinco, such Spinco shall not be deemed to make any representations regarding such Distribution in the IRS Ruling Documents, and (y) no Spinco makes any representations regarding any facts that, if untrue, would result in Specified Restructuring Income Taxes (other than representations regarding (1) whether such Spinco is engaged in the active conduct of a trade or business within the meaning of Section 355(b) of the Code, (2) such Spinco's conduct after the Distribution, and (3) the matters set forth in Section 4(a)(iii) hereof).

(f) Cooperation.

(i) Without limiting the prohibition set forth in Section 4(d)(iii), until the first day after the Restriction Period, each Spinco shall furnish Parent with a copy of any ruling request that any member of its respective Spinco Group may file with the IRS or any other Tax Authority and any opinion received that in any respect relates to, or otherwise reasonably could be expected to have any effect on, the Tax-Free Status of any of the Spin-Off-Related Transactions with respect to such Spinco.

(ii) Each Party shall reasonably cooperate with the Requesting Spinco in connection with any request by the Requesting Spinco for an Unqualified Tax Opinion pursuant to Section 4(c)(ii).

(iii) Until the first day after the Restriction Period, each Spinco shall provide adequate advance notice to Parent in accordance with the terms of Section 4(f)(iv) of any action described in Sections 4(b)(i) through 4(b)(vi) within a period of time sufficient to enable Parent to seek injunctive relief pursuant to Section 4(g) in a court of competent jurisdiction; provided that Tree Spinco shall not be required to provide advance notice with respect to any action described in Sections 4(b)(iii) through 4(b)(vi) with respect to which Tree Spinco is not subject to restrictions.

(iv) Each notice required by Section 4(f)(iii) shall set forth the terms and conditions of any such proposed transaction, including, without limitation, (A) the nature of any related action proposed to be taken by the board of directors of such Spinco, (B)

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the approximate number of Equity Securities (and their voting and economic rights) of such Spinco or any member of its respective Spinco Group (if any) proposed to be sold (or otherwise issued) or acquired, (C) the approximate value of such Spinco's assets (or assets of any member of its respective Spinco Group) proposed to be transferred, and (D) the proposed timetable for such transaction, all with sufficient particularity to enable Parent to seek such injunctive relief. Promptly, but in any event within 30 days, after Parent receives such written notice from such Spinco, Parent shall notify such Spinco in writing of Parent's decision to seek injunctive relief pursuant to Section 4(g).

(v) From and after its respective Distribution until the first day after the Restriction Period, no Spinco nor any member of its respective Spinco Group shall take (or refrain from taking) any action to the extent that such action or inaction would have caused a representation made with respect to such Spinco in connection with the IRS Ruling (but only if such IRS Ruling was received) and/or the Tax Opinions to have been untrue as of the relevant representation date, had such Spinco or any member of its respective Spinco Group intended to take (or refrain from taking) such action on the relevant representation date.

(g) Enforcement. The Parties acknowledge that irreparable harm would occur in the event that any of the provisions of this Section 4 were not performed in accordance with their specific terms or were otherwise breached. The Parties agree that, in order to preserve the Tax-Free Status of the Spin-Off-Related Transactions, injunctive relief is appropriate to prevent any violation of the foregoing covenants; provided, however, that injunctive relief shall not be the exclusive legal or equitable remedy for any such violation.

5. Refunds. Parent shall be entitled to all Refunds (and any interest thereon received from the applicable Tax Authority) in respect of Taxes paid with respect to any Tax Return for which Parent or any member of the Parent Group is responsible pursuant to Section 2. Each Spinco shall be entitled to all Refunds (and any interest thereon received from the applicable Tax Authority) in respect of Taxes paid with respect to any Tax Return for which it or members of its respective Spinco Group are responsible pursuant to Section 2. Notwithstanding the foregoing, in the event a Party obtains a Refund of Taxes for which it was indemnified by another Party (other than Taxes for which a Spinco is responsible pursuant to Section 2(a)(iii)), the indemnifying Party shall be entitled to such Refund. A Party receiving a Refund to which another Party is entitled pursuant to this Section 5 shall pay the amount to which such other Party is entitled within fifteen Business Days after such Refund is Actually Realized. The Parties shall cooperate with each other in connection with any claim for a Refund in respect of a Tax for which any member of their respective Groups is responsible pursuant to Section 2.

6. **Tax Contests.**

(a) **Notification.** Each Party shall notify the other Parties in writing of any communication with respect to any pending or threatened Proceeding in connection with a Tax Liability (or any issue related thereto) of any Party or member of its Group, for which another Party or member of its Group, may be responsible pursuant to this Agreement within ten (10) Business Days of receipt; provided, however, that in the case of any Distribution-Related Proceeding (no matter which Party is responsible), such notice shall be provided no later than ten

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(10) Business Days after such Party first receives written notice from the IRS or other Tax Authority of such Distribution-Related Proceeding. The notifying Party shall include with such notification a true, correct and complete copy of any written communication, and an accurate and complete written summary of any oral communication, received by such notifying Party or member of its Group. The failure of one Party to notify the other Parties of such communication in accordance with the immediately preceding sentence shall not relieve such other Party of any liability or obligation that it may have under this Agreement, except to the extent that the failure timely to forward such notification actually prejudices the ability of such other Party to contest such Income Tax Liability or Other Tax Liability or increases the amount of such Income Tax Liability or Other Tax Liability.

(b) **Representation with Respect to Tax Disputes.** Parent (or such member of the Parent Group as Parent shall designate) shall have the sole right to administer and control and to employ counsel of its choice at its expense in any Proceeding (including any Distribution-Related Proceeding) relating to (i) any consolidated federal Income Tax Returns of the Parent Consolidated Group, (ii) any other Combined Returns and (iii) any Parent Separate Returns. Each Spinco (or such member of its respective Spinco Group as such Spinco shall designate) shall have the sole right to administer and control and to employ counsel of its choice at its expense in any Proceeding (excluding any Distribution-Related Proceeding) relating to its respective Spinco Consolidated Return or Spinco Separate Return.

(c) **Power of Attorney.** Each Spinco (and members of its respective Group) shall execute and deliver to Parent (or such member of the Parent Group as Parent shall designate) any power of attorney or other document requested by Parent (or such designee) in connection with any Proceeding described in the first sentence of Section 6(b).

(d) **Distribution-Related Proceedings.**

(i) In the event of any Distribution-Related Proceeding as a result of which a Spinco could reasonably be expected to become liable for any Tax or Tax-Related Losses (each, a "Participating Spinco") and which Parent has the right to administer and control pursuant to Section 6(b) above, (A) Parent shall consult with each Participating Spinco reasonably in advance of taking any significant action in connection with such Proceeding, (B) Parent shall offer each Participating Spinco a reasonable opportunity to comment before submitting any written materials prepared or furnished in connection with such Proceeding, (C) Parent shall defend such Proceeding diligently and in good faith as if it were the only party in interest in connection with such Proceeding, and (D) Parent shall provide each Participating Spinco copies of any written materials relating to such Proceeding received from the relevant Tax Authority. Notwithstanding anything in the preceding sentence to the contrary, the final determination of the positions taken, including with respect to settlement or other disposition, in any Distribution-Related Proceeding shall be made in the sole discretion of Parent and shall be final and not subject to the dispute resolution provisions of Article 9 of the Separation Agreement.

(ii) In the event of any Distribution-Related Proceeding with respect to any Spinco Separate Return, (A) such Spinco shall consult with Parent reasonably in advance of taking any significant action in connection with such Proceeding, (B) such Spinco

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shall consult with Parent and offer Parent a reasonable opportunity to comment before submitting any written materials prepared or furnished in connection with such Proceeding, (C) such Spinco shall defend such Proceeding diligently and in good faith as if it were the only party in interest in connection with such Proceeding, (D) Parent shall be entitled to participate in such Proceeding and receive copies of any written materials relating to such Proceeding received from the relevant Tax Authority, and (E) such Spinco shall not settle, compromise or abandon any such Proceeding without obtaining the prior written consent of Parent, which consent shall not be unreasonably withheld.

7. **Apportionment of Tax Attributes; Carrybacks.**

(a) **Apportionment of Tax Attributes.**

(i) If the Parent Consolidated Group has a Tax Attribute, the portion, if any, of such Tax Attribute apportioned to any Spinco or the members of its respective Spinco Consolidated Group and treated as a carryover to the first Post-Distribution Taxable Period of such Spinco (or such member) shall be determined by Parent in accordance with Treasury Regulation Sections 1.1502-21, 1.1502-21T, 1.1502-22, 1.1502-79 and, if applicable, 1.1502-79A.

(ii) No Tax Attribute with respect to consolidated federal Income Tax of the Parent Consolidated Group, other than those described in Section 7(a)(i), and no Tax Attribute with respect to consolidated, combined or unitary state, local, or foreign Income Tax, in each case, arising in respect of a Combined Return shall be apportioned to any Spinco or any member of its respective Spinco Group, except as Parent (or such member of the Parent Group as Parent shall designate) determines is otherwise required under applicable law.

(iii) Parent (or its designee) shall determine the portion, if any, of any Tax Attribute which must (absent a Final Determination to the contrary) be apportioned to a Spinco or any member of its respective Spinco Group in accordance with this Section 7(a) and applicable law, and the amount of tax basis and earnings and profits to be apportioned to such Spinco or any member of its respective Spinco Group in accordance with applicable law, and shall provide written notice of the calculation thereof to such Spinco as soon as reasonably practicable after the information necessary to make such calculation becomes available to Parent.

(iv) The written notice delivered by Parent pursuant to Section 7(a)(iii) shall be binding on each Spinco Group and shall not be subject to dispute resolution. Except as otherwise required by a change in applicable law or pursuant to a Final Determination, no Spinco shall take any position (whether on a Tax Return or otherwise) that is inconsistent with the information contained in such written notice.

(b) Carrybacks. Except to the extent otherwise consented to by Parent or prohibited by applicable law, each Spinco shall elect to relinquish, waive or otherwise forgo all Carrybacks. In the event that a Spinco (the "Carryback Spinco"), or the appropriate member of its respective Spinco Group, is prohibited by applicable law to relinquish, waive or otherwise forgo a Carryback (or Parent consents to a Carryback), (i) each Party shall cooperate with the Carryback Spinco, at the Carryback Spinco's expense, in seeking from the appropriate Tax

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Authority such Refund as reasonably would result from such Carryback, and (ii) the Carryback Spinco shall be entitled to any Income Tax Benefit Actually Realized by a member of another Group (including any interest thereon received from such Tax Authority), to the extent that such Refund is directly attributable to such Carryback, within 15 Business Days after such Refund is Actually Realized; provided, however, that the Carryback Spinco shall indemnify and hold the members of the other Party's Group harmless from and against any and all collateral tax consequences resulting from or caused by any such Carryback, including (but not limited to) the loss or postponement of any benefit from the use of tax attributes generated by a member of the other Party's Group or an Affiliate thereof if (x) such tax attributes expire unutilized, but would have been utilized but for such Carryback, or (y) the use of such tax attributes is postponed to a later taxable period than the taxable period in which such tax attributes would have been utilized but for such Carryback. If there is a Final Determination that results in any change to or adjustment of an Income Tax Benefit Actually Realized by a member of the other Party's Group that is directly attributable to a Carryback, then the other Party (or its designee) shall make a payment to the Carryback Spinco, or the Carryback Spinco shall make a payment to the other Party (or its designee), as may be necessary to adjust the payments between the Carryback Spinco and the other Party (or its designee) to reflect the payments that would have been made under this Section 7(b) had the adjusted amount of such Income Tax Benefit been taken into account in computing the payments due under this Section 7(b).

#### 8. Cooperation and Exchange of Information.

(a) Cooperation and Exchange of Information. Each Party, on behalf of itself and the members of its Group, agrees to provide each other Party (or its designee) with such cooperation or information as such other Party (or its designee) reasonably shall request in connection with the determination of any payment or any calculations described in this Agreement, the preparation or filing of any Tax Return or claim for Refund, or the conduct of any Proceeding. Such cooperation and information shall include, without limitation, upon reasonable notice (i) promptly forwarding copies of appropriate notices and forms or other communications (including, without limitation, information document requests, revenue agent's reports and similar reports, notices of proposed adjustments and notices of deficiency) received from or sent to any Tax Authority or any other administrative, judicial or governmental authority, (ii) providing copies of all relevant Tax Returns, together with accompanying schedules and related workpapers, documents relating to rulings or other determinations by any Tax Authority, and such other records concerning the ownership and tax basis of property, or other relevant information, (iii) the provision of such additional information and explanations of documents and information provided under this Agreement (including statements, certificates, forms, returns and schedules delivered by either party) as shall be reasonably requested by any of the other Parties (or their designee), (iv) the execution of any document that may be necessary or reasonably helpful in connection with the filing of a Tax Return, a claim for a Refund, or in connection with any Proceeding, including such waivers, consents or powers of attorney as may be necessary for the other Party to exercise its rights under this Agreement, and (v) the use of the Party's reasonable efforts to obtain any documentation from a governmental authority or a third party that may be necessary or reasonably helpful in connection with any of the foregoing. It is expressly the intention of the Parties to take all actions that shall be necessary to establish Parent as the sole agent for Tax purposes of each member of the Spinco Groups with respect to all

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Combined Returns. Upon reasonable notice, each Party shall make its, or shall cause the members of its respective Group, as applicable, to make their, employees and facilities available on a mutually convenient basis to provide explanation of any documents or information provided hereunder. Any information obtained under this Section 8 shall be kept confidential, except as otherwise reasonably may be necessary in connection with the filing of Tax Returns or claims for Refund or in conducting any Proceeding.

(b) Retention of Records. The Parties each agree to retain all Tax Returns, related schedules and workpapers, and all material records and other documents as required under Section 6001 of the Code and the regulations promulgated thereunder (and any similar provision of state, local, or foreign law) existing on the date hereof or created in respect of (i) any taxable period that ends on or before or includes the Distribution Date or (ii) any taxable period that may be subject to a claim hereunder until the later of (A) the expiration of the statute of limitations (including extensions) for the taxable periods to which such Tax Returns and other documents relate and (B) the Final Determination of any payments that may be required in respect of such taxable periods under this Agreement. From and after the end of the period described in the preceding sentence of this Section 8(b), if a Party or a member of its respective Group wishes to dispose of any such records and documents, then such Party shall provide written notice thereof to the other Parties and shall provide the other Parties the opportunity to take possession of any such records and documents within 90 days after such notice is delivered; provided, however, that if no other Party, within such 90-day period, confirms its intention to take possession of such records and documents, then the Party wishing to destroy or otherwise dispose of such records and documents may do so.

(c) Remedies. Each of the Parties hereby acknowledges and agrees that (i) the failure of any member of its respective Group to comply with the provisions of this Section 8 may result in substantial harm to the other Parties, including the inability to determine or appropriately substantiate a Tax Liability (or a position in respect thereof) for which a Party (or a member of its respective Group) would be responsible under this Agreement or appropriately defend against an adjustment thereto by a Tax Authority, (ii) the remedies available to one Party (the "Injured Party") for the breach by a member of another Party (the "Breaching Party") of its obligations under this Section 8 shall include (without limitation) the indemnification by the Breaching Party of the Injured Party for any Tax Liabilities incurred or any tax benefit lost or postponed by reason of such breach and the forfeiture by the Breaching Party of any related rights to indemnification by the Injured Party.

(d) Reliance. If any member of a Group supplies ("Supplying Party") information to a member of another Group ("Relying Party") in connection with a Tax Liability and an officer of a member of the Relying Party signs a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then upon the written request of the member of the Relying Party identifying the information being so relied upon, the chief financial officer of Supplying Party (or his or her designee) shall certify in writing that to his knowledge (based upon consultation with

appropriate employees) the information so supplied is accurate and complete. Each Party agrees to indemnify and hold harmless each member of the other Groups and its directors, officers and employees from and against any fine, penalty, or other cost or expense of any kind attributable to a member of its respective Group having

supplied, pursuant to this Section 8, a member of another Group with inaccurate or incomplete information in connection with a Tax Liability.

9. **Resolution of Disputes.** The provisions of Article 9 of the Separation Agreement (Dispute Resolution) shall apply to any dispute arising in connection with this Agreement; provided, however, that in the case of disputes arising under this Agreement, the relevant Parties shall jointly select the arbitrator, who shall be an attorney or accountant who is generally recognized in the tax community as a qualified and competent tax practitioner with experience in the tax area involved in the issue or issues to be resolved.

10. **Payments.**

(a) **Method of Payment.** All payments required by this Agreement shall be made by (i) wire transfer to the appropriate bank account as may from time to time be designated by the Parties for such purpose; provided that, on the date of such wire transfer, notice of the transfer is given to the recipient thereof in accordance with Section 11, or (ii) any other method agreed to by the Parties. All payments due under this Agreement shall be deemed to be paid when available funds are actually received by the payee.

(b) **Interest.** Any payment required by this Agreement that is not made on or before the date required hereunder shall bear interest, from and after such date through the date of payment, at the Underpayment Rate.

(c) **Characterization of Payments.** For all Income Tax purposes, the Parties agree to treat, and to cause their respective Affiliates to treat, (i) any payment required by this Agreement or by the Separation Agreement, by (A) Parent to any of the Spinco as a contribution by Parent to the appropriate Spinco occurring immediately prior to the Distribution of such Spinco, (B) a Spinco to Parent as a distribution by such Spinco occurring immediately prior to the Distribution of such Spinco, and (C) a Spinco to another Spinco as a distribution by the first Spinco to Parent occurring immediately before the Distribution of the first Spinco followed by a contribution by Parent to the recipient Spinco occurring immediately before the Distribution of the second Spinco; and (ii) any payment of interest or non-federal Income Taxes by or to a Tax Authority, as taxable or deductible, as the case may be, to the Party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case, except as otherwise mandated by applicable law or a Final Determination; provided that in the event it is determined (A) pursuant to applicable law that it is more likely than not, or (B) pursuant to a Final Determination, that any such treatment is not permissible (or that an Indemnified Party nevertheless suffers a Tax detriment as a result of such payment), the payment in question shall be adjusted to place the Indemnified Party in the same after-tax position it would have enjoyed absent such applicable law or Final Determination.

11. **Compensatory Equity Interests.**

(a) **Allocation of Deductions.** To the extent permitted by applicable law, Income Tax deductions arising by reason of exercises of Options to acquire Parent or Spinco stock, vesting of "restricted" Parent stock or Spinco stock, or settlement of restricted stock units or Delayed Common Stock (whether settled in cash or shares), in each case, following the

Distributions, with respect to Parent stock or Spinco stock (such Options, restricted stock, restricted stock units and Delayed Common Stock, collectively, "**Compensatory Equity Interests**") held by any Person shall be claimed (i) in the case of an active employee, solely by the Party that employs such Person at the time of exercise, vesting, or settlement, as applicable, and (ii) in the case of a former employee, solely by the Party that last employed such Person (the Party described in clause (i) or (ii), the "**Employing Party**").

(b) **Withholding and Reporting.** The Employing Party (or any of its Affiliates) that is entitled to claim the Tax deductions described in 11(a) with respect to Compensatory Equity Interests held by a current or former employee shall be responsible for all applicable Taxes (including, but not limited to, withholding and excise taxes) and shall satisfy, or shall cause to be satisfied, all applicable Tax reporting obligations with respect to such Compensatory Equity Interests; provided, that in the event Compensatory Equity Interests are settled by the issuing corporation on a "net basis" that takes into account withholding or other Taxes for which the holder of the Compensatory Equity Interest is responsible, the issuing corporation shall promptly remit to the Employing Party an amount of cash equal to the fair market value of the shares withheld by the issuing corporation in respect of such withholding or other Taxes.

12. **Notices.** Notices, requests, permissions, waivers, and other communications hereunder shall be in writing and shall be deemed to have been duly given upon (a) a transmitter's confirmation of a receipt of a facsimile transmission (but only if followed by confirmed delivery of a standard overnight courier the following Business Day or if delivered by hand the following Business Day), or (b) confirmed delivery of a standard overnight courier or delivered by hand, to the parties at the following addresses (or at such other addresses for a party as shall be specified by like notice):

If to Parent, to:

IAC/InterActiveCorp  
555 West 18th Street  
New York, NY 10011  
Attention: General Counsel  
Telecopier: (212) 632-9642

with a copy to:



Wachtell, Lipton, Rosen & Katz  
51 West 52nd Street  
New York, NY 10019  
Attention: Pamela S. Seymon, Esq.  
Telecopier: (212) 403-2000

If to TM Spinco:

Ticketmaster  
8800 Sunset Boulevard  
West Hollywood, California 90069  
Attention: General Counsel  
Telecopier: (310) 360-3373

If to Interval Spinco:

Interval Leisure Group, Inc.  
6262 Sunset Drive  
Miami, Florida 33143  
Attention: General Counsel  
Telecopier: (305) 667-2072

If to HSN Spinco:

1 HSN Drive  
St. Petersburg, Florida 33729  
Attention: General Counsel  
Telecopier: (727) 872-6866

If to Tree Spinco:

11115 Rushmore Drive  
Charlotte, North Carolina 28277  
Attention: General Counsel  
Telecopier: (949) 255-5139

Such names and addresses may be changed by notice given in accordance with this Section 12.

13. **Designation of Affiliate.** Each of the Parties may assign any of its rights or obligations under this Agreement to any member of its respective Group as it shall designate; provided, however, that no such assignment shall relieve the Party making the assignment of any obligation hereunder, including any obligation to make a payment hereunder to another Party, to the extent such designee fails to make such payment.

14. **Miscellaneous.** Except to the extent otherwise provided in this Agreement, this Agreement shall be subject to the provisions of Article 13 (Miscellaneous) of the Separation Agreement to the extent set forth therein.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized, all as of the day and year first written above.

IAC/INTERACTIVECORP

By: /s/ Gregory Blatt  
Name: Gregory R. Blatt  
Title: Executive Vice President

TICKETMASTER

By: /s/ Joanne Hawkins  
Name: Joanne Hawkins  
Title: Vice President and Assistant Secretary

INTERVAL LEISURE GROUP, INC.

By: /s/ Joanne Hawkins

Name: Joanne Hawkins

Title: Vice President and Assistant Secretary

HSN, INC.

By: /s/ Tanya Stanich

Name: Tanya Stanich

Title: Vice President and Assistant Secretary

TREE.COM, INC.

By: /s/ Tanya Stanich

Name: Tanya Stanich

Title: Vice President and Assistant Secretary

[Signature Page to Tax Sharing Agreement]

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## EMPLOYEE MATTERS AGREEMENT

BY AND AMONG

IAC/INTERACTIVECORP

TICKETMASTER,

INTERVAL LEISURE GROUP, INC.,

HSN, INC.,

AND

TREE.COM, INC.

Dated as of August 20, 2008

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## EMPLOYEE MATTERS AGREEMENT

This Employee Matters Agreement (this "Agreement"), dated as of August 20, 2008, with effect as of the Effective Time, is entered into by and among IAC/InterActiveCorp, a Delaware corporation ("IAC"), Ticketmaster, a Delaware corporation and a wholly owned subsidiary of IAC ("TM"), Interval Leisure Group, Inc., a Delaware corporation and a wholly owned subsidiary of IAC ("Interval"), HSN, Inc., a Delaware corporation and a wholly owned subsidiary of IAC ("HSN") and Tree.com, Inc., a Delaware corporation and a wholly owned subsidiary of IAC ("Tree," together with TM, Interval and HSN, the "SpinCos," the SpinCos and IAC, collectively, the "Parties").

### RECITALS:

WHEREAS, IAC, TM, Interval, HSN and Tree have entered into a Separation and Distribution Agreement pursuant to which the Parties have set out the terms on which, and the conditions subject to which, they wish to implement the Separation (as defined in the Separation Agreement) (such agreement, as amended, restated or modified from time to time, the "Separation Agreement").

WHEREAS, in connection therewith, IAC, TM, Interval, HSN and Tree have agreed to enter into this Agreement to allocate between them assets, liabilities and responsibilities with respect to certain employee compensation, pension and benefit plans, programs and arrangements and certain employment matters.

NOW THEREFORE, in consideration of the mutual agreements, covenants and other provisions set forth in this Agreement, the Parties hereby agree as follows:

### ARTICLE I DEFINITIONS

Unless otherwise defined in this Agreement, capitalized words and expressions and variations thereof used in this Agreement or in its Schedules have the meanings set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Separation Agreement.

"Accelerated RSUs" has the meaning set forth in Section 5.3(g).

"Active HSN Participants" has the meaning set forth in Section 5.5(c).

"Adjustment Ratio" means (a) the IAC Stock Value divided by (b) the sum of (i) 0.5 of the IAC Post-Separation Stock Value plus (ii) 0.2 of the TM Stock Value (or if IAC does not distribute shares of TM Common Stock on the Distribution Date, zero) plus (iii) 0.2 of the Interval Stock Value (or if IAC does not distribute shares of Interval Common Stock on the Distribution Date, zero) plus (iv) 0.2 of the HSN Stock Value (or if IAC does not distribute shares of HSN Common Stock on the Distribution Date, zero) plus (v) 0.03333 of the Tree Stock Value (or if IAC does not distribute shares of Tree Common Stock on the Distribution Date, zero).

"Affiliate" has the meaning given that term in the Separation Agreement.

"Agreement" means this Employee Matters Agreement, including all the Schedules hereto.

"Ancillary Agreements" has the meaning given that term in the Separation Agreement.

"Approved Leave of Absence" means an absence from active service (a) due to an individual's inability to perform his or her regular job duties by reason of illness or injury and resulting in eligibility to receive benefits pursuant to the terms of the IAC Short-Term Disability Plan or the IAC Long-Term Disability Plan, or (b) pursuant to an approved leave policy with a guaranteed right of reinstatement.

"ASO Contract" has the meaning set forth in Section 4.4(a).

"Auditing Party" has the meaning set forth in Section 6.4(b).

"Award" (a) when immediately preceded by "IAC," means IAC Restricted Stock and IAC Restricted Stock Units, (b) when immediately preceded by "TM," means TM Restricted Stock and TM Restricted Stock Units, (c) when immediately preceded by "Interval," means Interval Restricted Stock and Interval Restricted Stock Units, (d) when immediately preceded by "HSN," means HSN Restricted Stock and HSN Restricted Stock Units and (e) when immediately preceded by Tree means Tree Restricted Stock and Tree Restricted Stock Units.

"Benefit Plan" means, with respect to an entity or any of its Subsidiaries, (a) each "employee welfare benefit plan" (as defined in Section 3(1) of ERISA) and all other employee benefits arrangements, policies or payroll practices (including, without limitation, severance pay, sick leave, vacation pay, salary continuation, disability, retirement, deferred compensation, bonus, stock option or other equity-based compensation, hospitalization, medical insurance or life insurance) sponsored or maintained by such entity or by any of its Subsidiaries (or to which such entity or any of its Subsidiaries contributes or is required to contribute) and (b) all "employee pension benefit plans" (as defined in Section 3(2) of ERISA), occupational pension plan or arrangement or other pension arrangements sponsored, maintained or contributed to by such entity or any of its Subsidiaries (or to which such entity or any of its Subsidiaries contributes or is required to contribute). For the avoidance of doubt, "Benefit Plans" includes Health and Welfare Plans. When immediately preceded by "IAC," Benefit Plan means any Benefit Plan sponsored, maintained or contributed to by IAC or any IAC Entity. When immediately preceded by "TM," Benefit Plan means any Benefit Plan sponsored, maintained or contributed to by TM or any TM Entity. When immediately preceded by "Interval," Benefit Plan means any Benefit Plan sponsored, maintained or contributed to by Interval or any Interval Entity. When immediately preceded by "HSN," Benefit Plan means any Benefit Plan sponsored, maintained or contributed to by HSN or any HSN Entity. When immediately preceded by "Tree," Benefit Plan means any Benefit Plan sponsored, maintained or contributed to by Tree or any Tree Entity.

“Cliff Vest” with respect to any Award means the lump-sum vesting of 100% of such Award following the passage of a multi-year period after the date of grant. The terms “Cliff Vesting” and “Cliff Vested” shall have correlative meanings.

“Close of the Distribution Date” means 11:59:59 P.M. New York City time, on the Distribution Date.

“COBRA” means the continuation coverage requirements for “group health plans” under Title X of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and as codified in Code § 4980B and ERISA §§ 601 through 608.

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“Code” means the Internal Revenue Code of 1986, as amended, or any successor federal income tax law. Reference to a specific Code provision also includes any proposed, temporary or final regulation in force under that provision.

“Committee” has the meaning set forth in Section 5.3(a).

“Delayed Common Stock” has the meaning set forth in Section 5.3(g).

“Delayed HSN Common Stock” has the meaning set forth in Section 5.3(g).

“Delayed IAC Common Stock” has the meaning set forth in Section 5.3(g).

“Delayed Interval Common Stock” has the meaning set forth in Section 5.3(g).

“Delayed TM Common Stock” has the meaning set forth in Section 5.3(g).

“Delayed Tree Common Stock” has the meaning set forth in Section 5.3(g).

“Distribution Date” means the first date on which one or more of the Distributions (as defined in the Separation Agreement) occurs.

“Effective Time” has the meaning given that term in the Separation Agreement.

“Effective Time Year” means the calendar year during which the Effective Time occurs.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended. Reference to a specific provision of ERISA also includes any proposed, temporary or final regulation in force under that provision.

“FICA” has the meaning set forth in Section 5.3(g).

“FICA Amount” has the meaning set forth in Section 5.3(g).

“Five Way IAC RSUs” has the meaning set forth in Section 5.3(g).

“Former HSN Employee” means any individual who as of the Effective Time is a former employee of the IAC Group, the TM Group (as defined in the Separation Agreement), the Interval Group (as defined in the Separation Agreement), the HSN Group (as defined in the Separation Agreement) or the Tree Group (as defined in the Separation Agreement), and whose last employment with any such group, was with an HSN Entity.

“Former IAC Employee” means any individual who as of the Effective Time is a former employee of the IAC Group, the TM Group (as defined in the Separation Agreement), the Interval Group (as defined in the Separation Agreement), the HSN Group (as defined in the Separation Agreement) or the Tree Group (as defined in the Separation Agreement), and whose last employment with any such group, was with an IAC Entity.

“Former Interval Employee” means any individual who as of the Effective Time is a former employee of the IAC Group, the TM Group (as defined in the Separation Agreement), the Interval Group (as defined in the Separation Agreement), the HSN Group (as defined in the Separation Agreement) or the Tree Group (as defined in the Separation Agreement), and whose last employment with any such group, was with an Interval Entity.

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“Former SpinCo Employee” means a Former TM Employee, Former Interval Employee, Former HSN Employee and/or Former Tree Employee as the context requires.

“Former TM Employee” means any individual who as of the Effective Time is a former employee of the IAC Group, the TM Group (as defined in the Separation Agreement), the Interval Group (as defined in the Separation Agreement), the HSN Group (as defined in the Separation Agreement) or the Tree Group (as defined in the Separation Agreement), and whose last employment with any such group, was with a TM Entity.

“Former Tree Employee” means any individual who as of the Effective Time is a former employee of the IAC Group, the TM Group (as defined in the Separation Agreement), the Interval Group (as defined in the Separation Agreement), the HSN Group (as defined in the Separation Agreement) or the Tree Group (as defined in the Separation Agreement), and whose last employment with any such group, was with a Tree Entity.

“Group Insurance Policies” has the meaning set forth in Section 4.4(a).

“Growth Share Awards” has the meaning set forth in Section 5.3(g).

“H&W Transition Period” has the meaning set forth in Section 4.1(a).

“Health and Welfare Plans” means any plan, fund or program which was established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, medical, dental, surgical or hospital care or benefits, or benefits in the event of sickness, accident, disability, death or unemployment, or vacation benefits, apprenticeship or other training programs or day care centers, scholarship funds, or prepaid legal services, including any such plan, fund or program as defined in Section 3(1) of ERISA. When immediately preceded by “IAC,” Health and Welfare Plans means each Health and Welfare Plan that is an IAC Benefit Plan. When immediately preceded by “TM,” Health and Welfare Plans means each Health and Welfare Plan that is a TM Benefit Plan. When immediately preceded by “Interval,” Health and Welfare Plans means each Health and Welfare Plan that is an Interval Benefit Plan. When immediately preceded by “HSN,” Health and Welfare Plans means each Health and Welfare Plan that is an HSN Benefit Plan. When immediately preceded by “Tree,” Health and Welfare Plans means each Health and Welfare Plan that is a Tree Benefit Plan.

“HIPAA” means the health insurance portability and accountability requirements for “group health plans” under the Health Insurance Portability and Accountability Act of 1996, as amended.

“HMO” means a health maintenance organization that provides benefits under the IAC Medical Plans, the TM Medical Plans, the Interval Medical Plans, the HSN Medical Plans or the Tree Medical Plans.

“HMO Agreements” has the meaning set forth in Section 4.4(a).

“HSN” has the meaning set forth in the Preamble of this Agreement.

“HSN Common Stock” means common stock, par value \$0.01 per share, of HSN.

“HSN Deferred Compensation Plan” has the meaning set forth in Section 5.5(c).

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“HSN Employee” means any individual who, immediately prior to the Effective Time, is either actively employed by, or then on Approved Leave of Absence from, an HSN Entity.

“HSN Entities” has the meaning given that term in the Separation Agreement.

“HSN Executive Benefit Plans” means the executive benefit and nonqualified plans, programs, and arrangements established, sponsored, maintained, or agreed upon, by any HSN Entity for the benefit of employees and former employees of any HSN Entity before the Close of the Distribution Date.

“HSN Factor” means the product obtained by multiplying (a) 0.2 and (b) the Adjustment Ratio.

“HSN Long-Term Incentive Plan” means the long-term incentive plan or program to be established by HSN, effective prior to the Effective Time.

“HSN Ratio” means the quotient obtained by dividing (a) the IAC Stock Value by (b) the HSN Stock Value.

“HSN Retirement Savings Plan” means the 401(k) and profit sharing plan to be established by HSN pursuant to Section 3.2 of this Agreement, as in effect as of the time relevant to the applicable provision of this Agreement.

“HSN Retirement Savings Plan Trust” means a trust relating to the HSN Retirement Savings Plan intended to qualify under Section 401(a) and be exempt under Section 501(a) of the Code.

“HSN Stock Value” means the closing per-share price of HSN Common Stock in the “when issued market” as listed on the NASDAQ as of 4:00 P.M. New York City time on August 20, 2008.

“IAC” has the meaning set forth in the Preamble of this Agreement.

“IAC Common Stock” means shares of common stock, \$0.001 par value per share, of IAC.

“IAC Deferred Compensation Plan” has the meaning set forth in Section 5.5(a).

“IAC Employee” means any individual who, immediately prior to the Effective Time, is either actively employed by, or then on Approved Leave of Absence from, any IAC Entity.

“IAC Entities” means the members of the IAC Group, as defined in the Separation Agreement, and their respective Subsidiaries and Affiliates, excluding any business or operations (whether current or historical, regardless of whether discontinued or sold) that are included in the TM Group, the Interval Group, the HSN Group or the Tree Group.

“IAC Executive Benefit Plans” means the executive benefit and nonqualified plans, programs, and arrangements established, sponsored, maintained, or agreed upon, by any IAC Entity for the benefit of employees and former employees of any IAC Entity before the Close of the Distribution Date.

“IAC Factor” means the product obtained by multiplying (a) 0.5 and (b) the Adjustment Ratio.

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“IAC Flexible Benefit Plan” has the meaning set forth in Section 4.5.

“IAC Incentive Plans” means any of the annual or short term incentive plans of IAC, all as in effect as of the time relevant to the applicable provisions of this Agreement.

“IAC Long-Term Incentive Plans” means any of the HSN, Inc. 1997 Stock and Annual Incentive Plan, USA Interactive Amended and Restated 2000 Annual Stock and Incentive Plan, IAC/InterActiveCorp 2005 Stock and Annual Incentive Plan, Home Shopping Network, Inc. 1996 Stock Option Plan for Employees, Equity and Bonus Compensation Agreement with Barry Diller, Ticketmaster Stock Plan, Expedia, Inc. Amended and Restated 2001 Stock Plan, Expedia, Inc. 1999 Stock Option Plan, the Hotels Reservations Network, Inc. 2000 Stock Plan, Ticketmaster Online-Citysearch, Inc. 1996 Stock Option Plan, Ticketmaster Online-Citysearch, Inc. 1998 Stock Option Plan, Ticketmaster 1999 Stock Plan, ServiceMagic, Inc. Amended and Restated 1999 Stock Option Plan, 1998 Stock Option Plan of LendingTree, Inc., LendingTree Amended and Restated 1999 Stock Incentive Plan, Amended and Restated 2001 Stock Incentive Plan of LendingTree, Inc., the Silver King Communications, Inc. Directors Stock Option Plan, Hotwire, Inc. 2000 Equity Incentive Plan, Cornerstone Brands, Inc. 1998 Stock Incentive Plan, AskJeeves, Inc. 1996 Equity Incentive Plan, AskJeeves, Inc 1999 Equity Incentive Plan and any other stock incentive plan of IAC, all as in effect as of the time relevant to the applicable provisions of this Agreement.

“IAC Post-Separation Stock Value” means the closing per-share price of IAC Common Stock trading in the “ex-distribution market” as listed on the NASDAQ as of 4:00 P.M. New York City time on August 20, 2008.

“IAC Rabbi Trust” has the meaning set forth in Section 5.5(a).

“IAC Ratio” means the quotient obtained by dividing (a) the IAC Stock Value by (b) the IAC Post-Separation Stock Value.

“IAC Retirement Savings Plan” means the InterActiveCorp Retirement Savings Plan as in effect as of the time relevant to the applicable provision of this Agreement.

“IAC Stock Value” means the closing per share price of IAC Common Stock trading “regular way with due bills” as listed on the NASDAQ as of 4:00 P.M. New York City time on August 20, 2008.

“Immediately after the Distribution Date” means on the first moment of the day after the Distribution Date.

“Interval” has the meaning set forth in the Preamble of this Agreement.

“Interval Common Stock” means common stock, par value \$0.01 per share, of Interval.

“Interval Employee” means any individual who, immediately prior to the Effective Time, is either actively employed by, or then on Approved Leave of Absence from, an Interval Entity.

“Interval Entities” has the meaning given that term in the Separation Agreement.

“Interval Executive Benefit Plans” means the executive benefit and nonqualified plans, programs, and arrangements established, sponsored, maintained, or agreed upon, by

any Interval Entity for the benefit of employees and former employees of any Interval Entity before the Close of the Distribution Date.

“Interval Factor” means the product obtained by multiplying (a) 0.2 and (b) the Adjustment Ratio.

“Interval Long-Term Incentive Plan” means the long-term incentive plan or program to be established by Interval, effective prior to the Effective Time.

“Interval Ratio” means the quotient obtained by dividing (a) the IAC Stock Value by (b) the Interval Stock Value.

“Interval Retirement Savings Plan” means the 401(k) and profit sharing plan to be established by Interval pursuant to Section 3.2 of this Agreement, as in effect as of the time relevant to the applicable provision of this Agreement.

“Interval Retirement Savings Plan Trust” means a trust relating to the Interval Retirement Savings Plan intended to qualify under Section 401(a) and be exempt under Section 501(a) of the Code.

“Interval Stock Value” means the closing per-share price of Interval Common Stock in the “when issued market” as listed on the NASDAQ as of 4:00 P.M. New York City time on August 20, 2008.

“Liability” has the meaning given that term in the Separation Agreement.

“Medical Plan” when immediately preceded by “IAC,” means the Benefit Plan under which medical benefits are provided to IAC Employees established and maintained by IAC. When immediately preceded by TM, Medical Plan means the Benefit Plan under which medical benefits are provided to TM Employees to be established by TM pursuant to Article IV. When immediately preceded by Interval, Medical Plan means the Benefit Plan under which medical benefits are provided to Interval Employees to be established by Interval pursuant to Article IV. When immediately preceded by HSN, Medical Plan means the Benefit Plan under which medical benefits are provided to HSN Employees to be established by HSN pursuant to Article IV. When immediately preceded by Tree, Medical Plan means the Benefit Plan under which medical benefits are provided to Tree Employees to be established by Tree pursuant to Article IV.

“NASDAQ” means the National Association of Securities Dealers Inc. Automated Quotation System.

“Net RSU Shares” has the meaning set forth in Section 5.3(l).

“Non-parties” has the meaning set forth in Section 6.4(c).

“Option” when immediately preceded by “IAC,” means an option (either nonqualified or incentive) to purchase shares of IAC Common Stock pursuant to an IAC Long-Term Incentive Plan. When immediately preceded by “TM,” Option means an option (either nonqualified or incentive) to purchase shares of TM Common Stock following the Effective Time pursuant to the TM Long-Term Incentive Plan. When immediately preceded by “Interval,” Option means an option (either nonqualified or incentive) to purchase shares of Interval Common Stock following the Effective Time pursuant to the Interval Long-Term Incentive Plan. When immediately preceded by “HSN,” Option means an option (either

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nonqualified or incentive) to purchase shares of HSN Common Stock following the Effective Time pursuant to the HSN Long-Term Incentive Plan. When immediately preceded by “Tree,” Option means an option (either nonqualified or incentive) to purchase shares of Tree Common Stock following the Effective Time pursuant to the Tree Long-Term Incentive Plan.

“Participating Company” means (a) IAC and (b) any other Person (other than an individual) that participates in a plan sponsored by any IAC Entity.

“Parties” has the meaning set forth in the Preamble of this Agreement.

“Person” has the meaning given that term in the Separation Agreement.

“Restricted Stock” (a) when immediately preceded by “IAC,” means shares of IAC Common Stock that are subject to restrictions on transferability and a risk of forfeiture and are issued under an IAC Benefit Plan, (b) when immediately preceded by “TM,” means shares of TM Common Stock that are subject to restrictions on transferability and a risk of forfeiture and are issued under a TM Benefit Plan, (c) when immediately preceded by “Interval,” means shares of Interval Common Stock that are subject to restrictions on transferability and a risk of forfeiture and are issued under an Interval Benefit Plan, (d) when immediately preceded by “HSN,” means shares of HSN Common Stock that are subject to restrictions on transferability and a risk of forfeiture and are issued under an HSN Benefit Plan and (e) when immediately preceded by “Tree,” means shares of Tree Common Stock that are subject to restrictions on transferability and a risk of forfeiture and are issued under a Tree Benefit Plan.

“Restricted Stock Unit” (a) when immediately preceded by “IAC,” means units issued under an IAC Benefit Plan representing a general unsecured promise by IAC to pay the value of shares of IAC Common Stock in cash or shares of IAC Common Stock, (b) when immediately preceded by “TM,” means units issued under the TM Long-Term Incentive Plan representing a general unsecured promise by TM to pay the value of shares of TM Common Stock in cash or shares of TM Common Stock, (c) when immediately preceded by “Interval,” means units issued under the Interval Long-Term Incentive Plan representing a general unsecured promise by Interval to pay the value of shares of Interval Common Stock in cash or shares of Interval Common Stock, (d) when immediately preceded by “HSN,” means units issued under the HSN Long-Term Incentive Plan representing a general unsecured promise by HSN to pay the value of shares of HSN Common Stock in cash or shares of HSN Common Stock and (e) when immediately preceded by “Tree,” means units issued under the Tree Long-Term Incentive Plan representing a general unsecured promise by Tree to pay the value of shares of Tree Common Stock in cash or shares of Tree Common Stock.

“Securities Act” has the meaning set forth in Section 5.4(a).

“Separation” has the meaning given that term in the Separation Agreement.

“Separation Agreement” has the meaning set forth in the Recitals to this Agreement.

“SpinCos” has the meaning set forth in the Preamble of this Agreement.

“SpinCo Employee” means a TM Employee, Interval Employee, HSN Employee and/or Tree Employee as the context requires.

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“SpinCo Long-Term Incentive Plans” means the HSN Long-Term Incentive Plan, the Interval Long-Term Incentive Plan, the TM Long-Term Incentive Plan and/or the Tree Long-Term Incentive Plan, as applicable.

“TM” has the meaning set forth in the Preamble of this Agreement.

“TM Common Stock” means common stock, par value \$0.01 per share, of TM.

“TM Deferred Compensation Plan” has the meaning set forth in Section 5.5(a).

“TM Employee” means any individual who, immediately prior to the Effective Time, is either actively employed by, or then on Approved Leave of Absence from, a TM Entity.

“TM Entities” has the meaning given that term in the Separation Agreement.

“TM Executive Benefit Plans” means the executive benefit and nonqualified plans, programs, and arrangements established, sponsored, maintained, or agreed upon, by any TM Entity for the benefit of employees and former employees of any TM Entity before the Close of the Distribution Date.

“TM Factor” means the product obtained by multiplying (a) 0.2 and (b) the Adjustment Ratio.

“TM Long-Term Incentive Plan” means the long-term incentive plan or program to be established by TM, effective prior to the Effective Time.

“TM Participants” has the meaning set forth in Section 5.5(a).



“TM Rabbi Trust” has the meaning set forth in Section 5.5(a).

“TM Ratio” means the quotient obtained by dividing (a) the IAC Stock Value by (b) the TM Stock Value.

“TM Retirement Savings Plan” means the 401(k) and profit sharing plan to be established by TM pursuant to Section 3.2 of this Agreement, as in effect as of the time relevant to the applicable provision of this Agreement.

“TM Retirement Savings Plan Trust” means a trust relating to the TM Retirement Savings Plan intended to qualify under Section 401(a) and be exempt under Section 501(a) of the Code.

“TM Stock Value” means the closing per-share price of TM Common Stock in the “when issued market” as listed on the NASDAQ as of 4:00 P.M. New York City time on August 20, 2008.

“Tree” has the meaning set forth in the Preamble of this Agreement.

“Tree Common Stock” means common stock, par value \$0.01 per share, of Tree.

“Tree Deferred Compensation Plan” has the meaning set forth in Section 5.5(d).

“Tree Employee” means any individual who, immediately prior to the Effective Time, is either actively employed by, or then on Approved Leave of Absence from, a Tree Entity.

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“Tree Entities” has the meaning given that term in the Separation Agreement.

“Tree Executive Benefit Plans” means the executive benefit and nonqualified plans, programs, and arrangements established, sponsored, maintained, or agreed upon, by any Tree Entity for the benefit of employees and former employees of any Tree Entity before the Close of the Distribution Date.

“Tree Factor” means the product obtained by multiplying (a) 0.03333 and (b) the Adjustment Ratio.

“Tree Long-Term Incentive Plan” means the long-term incentive plan or program to be established by Tree, effective prior to the Effective Time.

“Tree Participants” has the meaning set forth in Section 5.5(d).

“Tree Rabbi Trust” has the meaning set forth in Section 5.5(d).

“Tree Ratio” means the quotient obtained by dividing (a) the IAC Stock Value by (b) the Tree Stock Value.

“Tree Retirement Savings Plan” means the 401(k) and profit sharing plan to be established by Tree pursuant to Section 3.2 of this Agreement, as in effect as of the time relevant to the applicable provision of this Agreement.

“Tree Retirement Savings Plan Trust” means a trust relating to the Tree Retirement Savings Plan intended to qualify under Section 401(a) and be exempt under Section 501(a) of the Code.

“Tree Stock Value” means the closing per-share price of Tree Common Stock in the “when issued market” as listed on the NASDAQ as of 4:00 P.M. New York City time on August 20, 2008.

“U.S.” means the 50 United States of America and the District of Columbia.

“Withheld Shares” has the meaning set forth in Section 5.3(g).

## ARTICLE II GENERAL PRINCIPLES

### 2.1 Employment.

- Time.
- (a) All TM Employees shall continue to be employees of TM or another TM Entity, as the case may be, immediately after the Effective Time.
  - (b) All Interval Employees shall continue to be employees of Interval or another Interval Entity, as the case may be, immediately after the Effective Time.
  - (c) All HSN Employees shall continue to be employees of HSN or another HSN Entity, as the case may be, immediately after the Effective Time.
  - (d) All Tree Employees shall continue to be employees of Tree or another Tree Entity, as the case may be, immediately after the Effective Time.

## 2.2 Assumption and Retention of Liabilities; Related Assets.

(a) As of the Distribution Date, except as expressly provided in this Agreement, the IAC Entities shall assume or retain and IAC hereby agrees to pay, perform, fulfill and discharge, in due course in full (i) all Liabilities under all IAC Benefit Plans with respect to all IAC Employees, Former IAC Employees and their dependents and beneficiaries, (ii) all Liabilities with respect to the employment or termination of employment of all IAC Employees, Former IAC Employees and their dependents and beneficiaries, and other service providers (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or nonpayroll worker of any IAC Entity or in any other employment, non-employment, or retainer arrangement, or relationship with any IAC Entity), in each case to the extent arising in connection with or as a result of employment with or the performance of services to any IAC Entity, and (iii) any other Liabilities expressly assigned to IAC under this Agreement. All assets held in trust to fund the IAC Benefit Plans and all insurance policies funding the IAC Benefit Plans shall be IAC Assets (as defined in the Separation Agreement), except to the extent specifically provided otherwise in this Agreement.

(b) From and after the Distribution Date, except as expressly provided in this Agreement, TM and the TM Entities shall assume or retain, as applicable, and TM hereby agrees to pay, perform, fulfill and discharge, in due course in full, (i) all Liabilities under all TM Benefit Plans, (ii) all Liabilities with respect to the employment or termination of employment of all TM Employees, Former TM Employees and their dependents and beneficiaries, and other service providers (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or nonpayroll worker of TM or any TM Entity or in any other employment, non-employment, or retainer arrangement, or relationship with TM or a TM Entity), in each case to the extent arising in connection with or as a result of employment with or the performance of services to any TM Entity and (iii) any other Liabilities expressly assigned to TM or any TM Entity under this Agreement.

(c) From and after the Distribution Date, except as expressly provided in this Agreement, Interval and the Interval Entities shall assume or retain, as applicable, and Interval hereby agrees to pay, perform, fulfill and discharge, in due course in full, (i) all Liabilities under all Interval Benefit Plans, (ii) all Liabilities with respect to the employment or termination of employment of all Interval Employees, Former Interval Employees and their dependents and beneficiaries, and other service providers (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or nonpayroll worker of Interval or any Interval Entity or in any other employment, non-employment, or retainer arrangement, or relationship with Interval or an Interval Entity), in each case to the extent arising in connection with or as a result of employment with or the performance of services to any Interval Entity and (iii) any other Liabilities expressly assigned to Interval or any Interval Entity under this Agreement.

(d) From and after the Distribution Date, except as expressly provided in this Agreement, HSN and the HSN Entities shall assume or retain, as applicable, and HSN hereby agrees to pay, perform, fulfill and discharge, in due course in full, (i) all Liabilities under all HSN Benefit Plans, (ii) all Liabilities with respect to the employment or termination of employment of all HSN Employees, Former HSN Employees and their dependents and beneficiaries, and other service providers (including any individual who is, or was, an

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independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or nonpayroll worker of HSN or any HSN Entity or in any other employment, non-employment, or retainer arrangement, or relationship with HSN or an HSN Entity), in each case to the extent arising in connection with or as a result of employment with or the performance of services to any HSN Entity and (iii) any other Liabilities expressly assigned to HSN or any HSN Entity under this Agreement.

(e) From and after the Distribution Date, except as expressly provided in this Agreement, Tree and the Tree Entities shall assume or retain, as applicable, and Tree hereby agrees to pay, perform, fulfill and discharge, in due course in full, (i) all Liabilities under all Tree Benefit Plans, (ii) all Liabilities with respect to the employment or termination of employment of all Tree Employees, Former Tree Employees and their dependents and beneficiaries, and other service providers (including any individual who is, or was, an independent contractor, temporary employee, temporary service worker, consultant, freelancer, agency employee, leased employee, on-call worker, incidental worker, or nonpayroll worker of Tree or any Tree Entity or in any other employment, non-employment, or retainer arrangement, or relationship with Tree or a Tree Entity), in each case to the extent arising in connection with or as a result of employment with or the performance of services to any Tree Entity and (iii) any other Liabilities expressly assigned to Tree or any Tree Entity under this Agreement.

## 2.3 SpinCo Participation in IAC Benefit Plans.

(a) Except as expressly provided in this Agreement, effective as of the Close of the Distribution Date, TM and each other TM Entity shall cease to be a Participating Company in any IAC Benefit Plan, and IAC and TM shall take all necessary action before the Distribution Date to effectuate such cessation as a Participating Company.

(b) Except as expressly provided in this Agreement, effective as of the Close of the Distribution Date, Interval and each other Interval Entity shall cease to be a Participating Company in any IAC Benefit Plan, and IAC and Interval shall take all necessary action before the Distribution Date to effectuate such cessation as a Participating Company.

(c) Except as expressly provided in this Agreement, effective as of the Close of the Distribution Date, HSN and each other HSN Entity shall cease to be a Participating Company in any IAC Benefit Plan, and IAC and HSN shall take all necessary action before the Distribution Date to effectuate such cessation as a Participating Company.

(d) Except as expressly provided in this Agreement, effective as of the Close of the Distribution Date, Tree and each other Tree Entity shall cease to be a Participating Company in any IAC Benefit Plan, and IAC and Tree shall take all necessary action before the Distribution Date to effectuate such cessation as a Participating Company.

## 2.4 Terms of Participation by SpinCo Employees in SpinCo Benefit Plans.

(a) IAC and TM shall agree on methods and procedures, including, without limitation, amending the respective Benefit Plan documents, to prevent TM Employees from receiving duplicative benefits from the IAC Benefit Plans and the TM Benefit Plans. With respect to TM Employees, each TM

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Plan to the same extent as if such items occurred under such TM Benefit Plan, except to the extent that duplication of benefits would result or for benefit accrual to the extent that TM adopts a final average pay defined benefit pension plan.

(b) IAC and Interval shall agree on methods and procedures, including, without limitation, amending the respective Benefit Plan documents, to prevent Interval Employees from receiving duplicative benefits from the IAC Benefit Plans and the Interval Benefit Plans. With respect to Interval Employees, each Interval Benefit Plan shall provide that all service, all compensation and all other benefit-affecting determinations that, as of December 31, 2008 were recognized under the corresponding IAC Benefit Plan shall, as of January 1, 2009 receive full recognition, credit and validity and be taken into account under such Interval Benefit Plan to the same extent as if such items occurred under such Interval Benefit Plan, except to the extent that duplication of benefits would result or for benefit accrual to the extent that Interval adopts a final average pay defined benefit pension plan.

(c) IAC and HSN shall agree on methods and procedures, including, without limitation, amending the respective Benefit Plan documents, to prevent HSN Employees from receiving duplicative benefits from the IAC Benefit Plans and the HSN Benefit Plans. With respect to HSN Employees, each HSN Benefit Plan shall provide that all service, all compensation and all other benefit-affecting determinations that, as of December 31, 2008 were recognized under the corresponding IAC Benefit Plan shall, as of January 1, 2009 receive full recognition, credit and validity and be taken into account under such HSN Benefit Plan to the same extent as if such items occurred under such HSN Benefit Plan, except to the extent that duplication of benefits would result or for benefit accrual to the extent that HSN adopts a final average pay defined benefit pension plan.

(d) IAC and Tree shall agree on methods and procedures, including, without limitation, amending the respective Benefit Plan documents, to prevent Tree Employees from receiving duplicative benefits from the IAC Benefit Plans and the Tree Benefit Plans. With respect to Tree Employees, each Tree Benefit Plan shall provide that all service, all compensation and all other benefit-affecting determinations that, as of December 31, 2008 were recognized under the corresponding IAC Benefit Plan shall, as of January 1, 2009 receive full recognition, credit and validity and be taken into account under such Tree Benefit Plan to the same extent as if such items occurred under such Tree Benefit Plan, except to the extent that duplication of benefits would result or for benefit accrual to the extent that Tree adopts a final average pay defined benefit pension plan.

2.5 Commercially Reasonable Efforts. IAC, TM, Interval, HSN and Tree shall use commercially reasonable efforts to (a) enter into any necessary agreements to accomplish the assumptions and transfers contemplated by this Agreement; and (b) provide for the maintenance of the necessary participant records, the appointment of the trustees and the engagement of recordkeepers, investment managers, providers, insurers, etc.

2.6 Regulatory Compliance. IAC, TM, Interval, HSN and Tree shall, in connection with the actions taken pursuant to this Agreement, cooperate in making any and all appropriate filings required under the Code, ERISA and any applicable securities laws, implementing all appropriate communications with participants, transferring appropriate records and taking all such other actions as may be necessary and appropriate to implement the provisions of this Agreement in a timely manner.

2.7 Approval by IAC as Sole Stockholder. Prior to the Effective Time, IAC shall cause (a) TM to adopt the TM 2008 Long-Term Incentive Plan, (b) Interval to adopt the

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Interval 2008 Long-Term Incentive Plan, (c) HSN to adopt the HSN 2008 Long-Term Incentive Plan and (d) Tree to adopt the Tree 2008 Long-Term Incentive Plan.

### ARTICLE III SAVINGS PLANS

3.1 Savings Plan Transition Period. From the Distribution Date and continuing until December 31, 2008, each of TM, Interval, HSN and Tree adopts, and shall participate in as Adopting Employers (as defined in the IAC Retirement Savings Plan), the IAC Retirement Savings Plan for the benefit of TM Employees and Former TM Employees, Interval Employees and Former Interval Employees, HSN Employees and Former HSN Employees and Tree Employees and Former Tree Employees, respectively, and IAC consents to such adoption and maintenance, in accordance with the terms of the IAC Retirement Savings Plan. Each of the Parties agrees and acknowledges that until December 31, 2008, TM, Interval, HSN and Tree shall make timely direct contributions (including matching contributions) to the IAC Retirement Savings Plan on behalf of such SpinCo's participating employees in accordance with the terms of the IAC Retirement Savings Plan and in accordance with (and no less promptly than) the timing of contributions made by IAC prior to the Distribution Date. Each of the Parties agrees that, following the Distribution Date and prior to January 1, 2008, the trustee of the IAC Retirement Savings Plan shall sell all shares of IAC Common Stock, TM Common Stock, Interval Common Stock, HSN Common Stock and Tree Common Stock held in the accounts of IAC Employees and Former IAC Employees, TM Employees and Former TM Employees, Interval Employees and Former Interval Employees, HSN Employees and Former HSN Employees and Tree Employees and Former Tree Employees (provided that IAC may in its sole discretion instruct the trustee of the IAC Retirement Savings Plan not to sell the shares of IAC Common Stock held by IAC Employees and Former IAC Employees). On and after the Distribution Date and until the completion of the sales contemplated by the immediately preceding sentence, shares of IAC Common Stock shall be held in an IAC Common Stock Fund, shares of TM Common Stock shall be held in a TM Common Stock Fund, shares of Interval Common Stock shall be held in an Interval Common Stock Fund, shares of HSN Common Stock shall be held in an HSN Common Stock Fund and shares of Tree Common Stock shall be held in a Tree Common Stock Fund, in each case, under the IAC Retirement Savings Plan. Following the Distribution Date, IAC Employees and Former IAC Employees, TM Employees and Former TM Employees, Interval Employees and Former Interval Employees, HSN Employees and Former HSN Employees and Tree Employees and Former Tree Employees shall not be permitted to acquire shares of IAC Common Stock, TM Common Stock, Interval Common Stock, HSN Common Stock or Tree Common Stock in the IAC Common Stock Fund, the TM Common Stock Fund, the Interval Common Stock Fund, the HSN Common Stock Fund or the Tree Common Stock Fund, as applicable, under the IAC Retirement Savings Plan (provided that IAC may in its sole discretion instruct the trustee of the IAC Retirement Savings Plan to permit IAC Employees and Former IAC Employees to acquire additional shares of IAC Common Stock in the IAC Common Stock Fund).

3.2 SpinCo Savings Plans.

(a) Effective as of January 1, 2009, TM shall establish the TM Retirement Savings Plan and the TM Retirement Savings Plan Trust. As soon as practical following the establishment of the TM Retirement Savings Plan and the TM Retirement Savings Plan Trust, IAC shall cause the accounts of the TM Employees and Former TM Employees in the IAC Retirement Savings Plan to be transferred to the TM Retirement Savings Plan and the TM Retirement Savings Plan Trust in cash or such other assets as mutually agreed by IAC and TM, and TM shall cause the TM Retirement Savings Plan to assume and be solely responsible

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for all Liabilities under the TM Retirement Savings Plan to or relating to TM Employees and Former TM Employees whose accounts are transferred from the IAC Retirement Savings Plan. IAC and TM agree to cooperate in making all appropriate filings and taking all reasonable actions required to implement the provisions of this Section 3.2; provided that TM acknowledges that it will be responsible for complying with any requirements and applying for any determination letters with respect to the TM Retirement Savings Plan.

(b) Effective as of January 1, 2009, Interval shall establish the Interval Retirement Savings Plan and the Interval Retirement Savings Plan Trust. As soon as practical following the establishment of the Interval Retirement Savings Plan and the Interval Retirement Savings Plan Trust, IAC shall cause the accounts of the Interval Employees and Former Interval Employees in the IAC Retirement Savings Plan to be transferred to the Interval Retirement Savings Plan and the Interval Retirement Savings Plan Trust in cash or such other assets as mutually agreed by IAC and Interval, and Interval shall cause the Interval Retirement Savings Plan to assume and be solely responsible for all Liabilities under the Interval Retirement Savings Plan to or relating to Interval Employees and Former Interval Employees whose accounts are transferred from the IAC Retirement Savings Plan. IAC and Interval agree to cooperate in making all appropriate filings and taking all reasonable actions required to implement the provisions of this Section 3.2; provided that Interval acknowledges that it will be responsible for complying with any requirements and applying for any determination letters with respect to the Interval Retirement Savings Plan.

(c) Effective as of January 1, 2009, HSN shall establish the HSN Retirement Savings Plan and the HSN Retirement Savings Plan Trust. As soon as practical following the establishment of the HSN Retirement Savings Plan and the HSN Retirement Savings Plan Trust, IAC shall cause the accounts of the HSN Employees and Former HSN Employees in the IAC Retirement Savings Plan to be transferred to the HSN Retirement Savings Plan and the HSN Retirement Savings Plan Trust in cash or such other assets as mutually agreed by IAC and HSN, and HSN shall cause the HSN Retirement Savings Plan to assume and be solely responsible for all Liabilities under the HSN Retirement Savings Plan to or relating to HSN Employees and Former HSN Employees whose accounts are transferred from the IAC Retirement Savings Plan. IAC and HSN agree to cooperate in making all appropriate filings and taking all reasonable actions required to implement the provisions of this Section 3.2; provided that HSN acknowledges that it will be responsible for complying with any requirements and applying for any determination letters with respect to the HSN Retirement Savings Plan.

(d) Effective as of January 1, 2009, Tree shall establish the Tree Retirement Savings Plan and the Tree Retirement Savings Plan Trust. As soon as practical following the establishment of the Tree Retirement Savings Plan and the Tree Retirement Savings Plan Trust, IAC shall cause the accounts of the Tree Employees and Former Tree Employees in the IAC Retirement Savings Plan to be transferred to the Tree Retirement Savings Plan and the Tree Retirement Savings Plan Trust in cash or such other assets as mutually agreed by IAC and Tree, and Tree shall cause the Tree Retirement Savings Plan to assume and be solely responsible for all Liabilities under the Tree Retirement Savings Plan to or relating to Tree Employees and Former Tree Employees whose accounts are transferred from the IAC Retirement Savings Plan. IAC and Tree agree to cooperate in making all appropriate filings and taking all reasonable actions required to implement the provisions of this Section 3.2; provided that Tree acknowledges that it will be responsible for complying with any requirements and applying for any determination letters with respect to the Tree Retirement Savings Plan.

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#### ARTICLE IV HEALTH AND WELFARE PLANS

##### 4.1 Transition Period.

(a) IAC will cause the IAC Health and Welfare Plans in effect on the Distribution Date to provide coverage to TM Employees and Former TM Employees, Interval Employees and Former Interval Employees, HSN Employees and Former HSN Employees and Tree Employees and Former Tree Employees (and, in each case, their beneficiaries and dependents) from and after the Distribution Date until December 31, 2008 (such period, the "H&W Transition Period") on the same basis as immediately prior to the Distribution Date and in accordance with the terms of IAC's Health and Welfare Plans. Following the Distribution Date, each SpinCo shall pay to IAC fees in respect of IAC covering such SpinCo's SpinCo Employees and SpinCo Former Employees under the IAC Health and Welfare Plans, such fees to be based on the per-employee budgeted rates set forth on Schedule A to this Agreement. The fees contemplated by this Section 4.1(a) shall be payable in advance each month (*i.e.*, not later than the first day of any month during which coverage applies) during the H&W Transition Period and shall be based on the prior month's enrollment, with appropriate, subsequent adjustments in each succeeding month to reflect actual enrollment; provided, however, that the fees relating to the period from and including the first day of the month during which the Distribution Date occurs through the end of the month during which the Distribution Date occurs shall be payable no later than the fifth business day following the Distribution Date. In the event that any SpinCo fails to pay in a timely manner the fees contemplated by this Section 4.1(a), IAC shall have no obligation to provide the coverage contemplated by this Section 4.1(a) to such SpinCo's SpinCo Employees and SpinCo Former Employees.

(b) Following the H&W Transition Period, but not later than May 31, 2009, IAC shall calculate in good faith the total costs and expenses of the IAC Health and Welfare Plans for 2008 (including without limitation claims paid and administration fees and IAC's good faith estimate of claims incurred in 2008 but not reported (such estimate to be prepared based on historical claims reporting patterns and history)) (the "2008 H&W Expenses"), and IAC promptly shall provide to each of the SpinCos the 2008 H&W Expenses following such calculation. To the extent 2008 H&W Expenses (i) exceed the aggregate fees paid by IAC and the SpinCos in respect of coverage during 2008 of IAC Employees and Former Employees and SpinCo Employees and Former SpinCo Employees (the "2008 H&W Fees"), each of the SpinCos shall be required to pay to IAC by wire transfer such SpinCo's ratable portion (calculated on the basis of the number of such SpinCo's SpinCo Employees relative to the total number of IAC Employees and SpinCo Employees taken together) of the fees deficit, and (ii) is less than the 2008 H&W Fees, IAC shall pay to each of the SpinCos such SpinCo's ratable portion (calculated on the basis of the number of such SpinCo's SpinCo Employees relative to the total number of IAC Employees and SpinCo Employees taken together) of the excess fees collected, any such payments pursuant to clause (i) or clause (ii) to be made no later than July 15, 2009. Any calculations made by IAC pursuant to this Section 4.1(b) shall be final and binding upon the SpinCos.

4.2 Establishment of Health and Welfare Plans.

(a) Effective as of January 1, 2009, TM shall adopt Health and Welfare Plans for the benefit of TM Employees and Former TM Employees, and TM shall be responsible for all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred by or on behalf of TM Employees and Former TM Employees or

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their covered dependents under the TM Health and Welfare Plans on or after January 1, 2009.

(b) Effective as of January 1, 2009, Interval shall adopt Health and Welfare Plans for the benefit of Interval Employees and Former Interval Employees, and Interval shall be responsible for all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred by or on behalf of Interval Employees and Former Interval Employees or their covered dependents under the Interval Health and Welfare Plans on or after January 1, 2009.

(c) Effective as of January 1, 2009, HSN shall adopt Health and Welfare Plans for the benefit of HSN Employees and Former HSN Employees, and HSN shall be responsible for all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred by or on behalf of HSN Employees and Former HSN Employees or their covered dependents under the HSN Health and Welfare Plans on or after January 1, 2009.

(d) Effective as of January 1, 2009, Tree shall adopt Health and Welfare Plans for the benefit of Tree Employees and Former Tree Employees, and Tree shall be responsible for all Liabilities relating to, arising out of or resulting from health and welfare coverage or claims incurred by or on behalf of Tree Employees and Former Tree Employees or their covered dependents under the Tree Health and Welfare Plans on or after January 1, 2009.

(e) Notwithstanding anything to the contrary in this Section 4.2, with respect to any TM Employee, Interval Employee, HSN Employee or Tree Employee who becomes disabled under the terms of the IAC Health and Welfare Plans and becomes entitled to receive long-term or short-term disability benefits prior to January 1, 2009, such TM Employee, Interval Employee, HSN Employee or Tree Employee shall continue to receive long-term or short-term disability benefits under the IAC Health and Welfare Plans on and after January 1, 2009 in accordance with the terms of the IAC Health and Welfare Plans.

4.3 Retention of Sponsorship and Liabilities. Following the Distribution Date, IAC shall retain:

(a) sponsorship of all IAC Health and Welfare Plans and any trust or other funding arrangement established or maintained with respect to such plans, including any “voluntary employee’s beneficiary association,” or any assets held as of the Distribution Date with respect to such plans; and

(b) all Liabilities relating to, arising out of, or resulting from health and welfare coverage or claims incurred by or on behalf of IAC Employees or Former IAC Employees or their covered dependents under the IAC Health and Welfare Plans prior to, on or after the Distribution Date.

Other than as contemplated by Section 4.1 with respect to the H&W Transition Period, IAC shall not assume any Liability relating to health and welfare claims incurred by or on behalf of SpinCo Employees or Former SpinCo Employees or their respective covered dependents prior to, on or after the Distribution Date, and such claims shall be satisfied pursuant to Section 4.2. For purposes of Sections 4.2 and 4.3 of this Agreement, a claim or Liability (1) for medical, dental, vision and/or prescription drug benefits shall be deemed to be incurred upon the rendering of health services giving rise to the obligation to pay such benefits; (2) for life insurance and accidental death and dismemberment and business travel accident

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insurance benefits shall be deemed to be incurred upon the occurrence of the event giving rise to the entitlement to such benefits; (3) for salary continuation or other disability benefits shall be deemed to be incurred upon the effective date of an individual’s disability giving rise to the entitlement to such benefits under the applicable disability policy; and (4) for a period of continuous hospitalization shall be deemed to be incurred on the date of admission to the hospital.

4.4 Vendor Contracts.

(a) IAC and TM shall use commercially reasonable efforts to obligate the third party administrator of each administrative-services-only contract with a third-party administrator that relates to any of the IAC Health and Welfare Plans (an “ASO Contract”), each group insurance policy that relates to any of the IAC Health and Welfare Plans (“Group Insurance Policies”) and each agreement with a Health Maintenance Organization that provides medical services under the IAC Health and Welfare Plans (“HMO Agreements”), in each case, in existence as of the date of this Agreement that is applicable to TM Employees, to enter into a separate ASO Contract, Group Insurance Policy and HMO Agreement, as applicable, with TM providing for similar terms and conditions as are contained in the ASO Contracts, Group Insurance Policies and HMO Agreements, as applicable, to which IAC is a party. Such terms and conditions shall include the financial and termination provisions, performance standards, methodology, auditing policies, quality measures and reporting requirements.

(b) IAC and Interval shall use commercially reasonable efforts to obligate the third party administrator of each ASO Contract, each Group Insurance Policy and each HMO Agreement, in each case, in existence as of the date of this Agreement that is applicable to Interval Employees, to enter into a separate ASO Contract, Group Insurance Policy and HMO Agreement, as applicable, with Interval providing for similar terms and conditions as are contained in the ASO Contracts, Group Insurance Policies and HMO Agreements, as applicable, to which IAC is a party. Such terms and conditions shall include the financial and termination provisions, performance standards, methodology, auditing policies, quality measures and reporting requirements.

(c) IAC and HSN shall use commercially reasonable efforts to obligate the third party administrator of each ASO Contract, each Group Insurance Policy and each HMO Agreement, in each case, in existence as of the date of this Agreement that is applicable to HSN Employees, to enter into a separate ASO Contract, Group Insurance Policy and HMO Agreement, as applicable, with HSN providing for similar terms and conditions as are contained in the ASO Contracts, Group Insurance Policies and HMO Agreements, as applicable, to which IAC is a party. Such terms and conditions shall include the financial and termination provisions, performance standards, methodology, auditing policies, quality measures and reporting requirements.

(d) IAC and Tree shall use commercially reasonable efforts to obligate the third party administrator of each ASO Contract, each Group Insurance Policy and each HMO Agreement, in each case, in existence as of the date of this Agreement that is applicable to Tree Employees, to enter into a separate ASO Contract, Group Insurance Policy and HMO Agreement, as applicable, with Tree providing for similar terms and conditions as are contained in the ASO Contracts, Group Insurance Policies and HMO Agreements, as applicable, to which IAC is a party. Such terms and conditions shall include the financial and termination provisions, performance standards, methodology, auditing policies, quality measures and reporting requirements.

4.5 Flexible Benefit Plan. IAC will continue to maintain on behalf of TM Employees, Interval Employees, HSN Employees and Tree Employees the health care reimbursement program, the transit and parking reimbursement program and the dependent care reimbursement program of the IAC Flexible Benefit Plan (all of such accounts, "IAC Flexible Benefit Plan") for claims incurred with respect to 2008 elections under the IAC Flexible Benefit Plan (all such claims must be submitted no later than April 15, 2009) on the same basis as immediately prior to the Distribution Date and in accordance with the terms of the IAC Flexible Benefit Plan. Following the Distribution Date, each SpinCo shall pay to IAC the amounts claimed by such SpinCo's SpinCo Employees under the IAC Flexible Benefit Plan in addition to such SpinCo's share of the administrative cost of the IAC Flexible Benefit Plan (based on IAC historical allocations), such amounts to be paid by each SpinCo on a one-month lagging basis (*i.e.*, claims made and administrative costs incurred during a particular month shall be billed in the immediately succeeding month); provided, that each SpinCo shall remit payment to IAC no later than the fifth business day following delivery by IAC of an invoice to such SpinCo. SpinCo Employees shall not participate in the IAC Flexible Benefit Plan with respect to any plan year after the 2008 plan year.

4.6 Workers' Compensation Liabilities.

(a) Except as provided below, all workers' compensation Liabilities relating to, arising out of, or resulting from any claim by an IAC Employee, Former IAC Employee, SpinCo Employee or Former SpinCo Employee that results from an accident occurring, or from an occupational disease which becomes manifest, before the Distribution Date shall be retained by IAC.

(b) All workers' compensation Liabilities relating to, arising out of, or resulting from any claim by an IAC Employee or Former IAC Employee that results from an accident occurring, or from an occupational disease which becomes manifest, on or after the Distribution Date shall be retained by IAC.

(c) All workers' compensation Liabilities relating to, arising out of, or resulting from any claim by a TM Employee or Former TM Employee that results from an accident occurring, or from an occupational disease which becomes manifest, on or after the Distribution Date shall be retained by TM.

(d) All workers' compensation Liabilities relating to, arising out of, or resulting from any claim by an Interval Employee or Former Interval Employee that results from an accident occurring, or from an occupational disease which becomes manifest, on or after the Distribution Date shall be retained by Interval.

(e) All workers' compensation Liabilities relating to, arising out of, or resulting from any claim by an HSN Employee or Former HSN Employee that results from an accident occurring, or from an occupational disease which becomes manifest, on or after the Distribution Date shall be retained by HSN.

(f) All workers' compensation Liabilities relating to, arising out of, or resulting from any claim by a Tree Employee or Former Tree Employee that results from an accident occurring, or from an occupational disease which becomes manifest, on or after the Distribution Date shall be retained by Tree.

For purposes of this Agreement, a compensable injury shall be deemed to be sustained upon the occurrence of the event giving rise to eligibility for workers' compensation benefits

or at the time that an occupational disease becomes manifest, as the case may be. The Parties shall cooperate with respect to any notification to appropriate governmental agencies of the effective time and the issuance of new, or the transfer of existing, workers' compensation insurance policies and claims handling contracts.

4.7 Payroll Taxes and Reporting of Compensation. Each of IAC, TM, Interval, HSN and Tree shall, and shall cause each of its respective Subsidiaries to, take such action as may be reasonably necessary or appropriate in order to minimize Liabilities related to payroll taxes after the Distribution Date. Subject to the terms of the Transition Services Agreement (as defined in the Separation Agreement), each of IAC, TM, Interval, HSN and Tree shall, and shall cause each of its respective Subsidiaries to, respectively, bear its responsibility for payroll tax obligations and for the proper reporting to the appropriate governmental authorities of compensation earned by their respective employees after the Close of the Distribution Date, including compensation related to the exercise of Options and the vesting and/or settlement of Restricted Stock Units and Deferred Common Stock.

4.8 COBRA and HIPAA Compliance.

(a) IAC shall be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the IAC Health and Welfare Plans with respect to IAC Employees and Former IAC Employees and their covered dependents who incur a COBRA qualifying event or loss of coverage under the IAC Health and Welfare Plans at any time before, on or after the Effective Time.

(b) Until December 31, 2008, IAC shall be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the IAC Health and Welfare Plans with respect to

SpinCo Employees and Former SpinCo Employees and their covered dependents who incur a COBRA qualifying event or loss of coverage under the IAC Health and Welfare Plans at any time through December 31, 2008.

(c) On and after January 1, 2009, TM or another TM Entity shall be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the TM Health and Welfare Plans and/or the IAC Health and Welfare Plans with respect to TM Employees and Former TM Employees and their covered dependents who incur a COBRA qualifying event or loss of coverage under the TM Health and Welfare Plans and/or the IAC Health and Welfare Plans at any time before, on or after the Effective Time.

(d) On and after January 1, 2009, Interval or another Interval Entity shall be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the Interval Health and Welfare Plans and/or the IAC Health and Welfare Plans with respect to Interval Employees and Former Interval Employees and their covered dependents who incur a COBRA qualifying event or loss of coverage under the Interval Health and Welfare Plans and/or the IAC Health and Welfare Plans at any time before, on or after the Effective Time.

(e) On and after January 1, 2009, HSN or another HSN Entity shall be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the HSN Health and Welfare Plans and/or the IAC Health and Welfare Plans

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with respect to HSN Employees and Former HSN Employees and their covered dependents who incur a COBRA qualifying event or loss of coverage under the HSN Health and Welfare Plans and/or the IAC Health and Welfare Plans at any time before, on or after the Effective Time.

(f) On and after January 1, 2009, Tree or another Tree Entity shall be responsible for administering compliance with the health care continuation requirements of COBRA, the certificate of creditable coverage requirements of HIPAA, and the corresponding provisions of the Tree Health and Welfare Plans and/or the IAC Health and Welfare Plans with respect to Tree Employees and Former Tree Employees and their covered dependents who incur a COBRA qualifying event or loss of coverage under the Tree Health and Welfare Plans and/or the IAC Health and Welfare Plans at any time before, on or after the Effective Time.

The Parties hereto agree that the consummation of the transactions contemplated by this Agreement and the Separation Agreement shall not constitute a COBRA qualifying event for any purpose of COBRA.

#### **ARTICLE V EXECUTIVE BENEFITS AND OTHER BENEFITS**

##### **5.1 Assumption of Obligations.**

(a) Except as provided in this Agreement, effective as of the Effective Time, TM shall assume and be solely responsible for all Liabilities to or relating to TM Employees and Former TM Employees under all IAC Executive Benefit Plans and TM Executive Benefit Plans.

(b) Except as provided in this Agreement, effective as of the Effective Time, Interval shall assume and be solely responsible for all Liabilities to or relating to Interval Employees and Former Interval Employees under all IAC Executive Benefit Plans and Interval Executive Benefit Plans.

(c) Except as provided in this Agreement, effective as of the Effective Time, HSN shall assume and be solely responsible for all Liabilities to or relating to HSN Employees and Former HSN Employees under all IAC Executive Benefit Plans and HSN Executive Benefit Plans.

(d) Except as provided in this Agreement, effective as of the Effective Time, Tree shall assume and be solely responsible for all Liabilities to or relating to Tree Employees and Former Tree Employees under all IAC Executive Benefit Plans and Tree Executive Benefit Plans.

The Parties hereto agree that none of the transactions contemplated by the Separation Agreement or any of the Ancillary Agreements, including, without limitation, this Agreement, constitutes a "change in control," "change of control" or similar term, as applicable, within the meaning of any Benefit Plan, any IAC Long-Term Incentive Plan or any of the SpinCo Long-Term Incentive Plans.

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##### **5.2 IAC Incentive Plans.**

###### **(a) SpinCo Bonus Awards.**

(i) TM shall be responsible for determining all bonus awards that would otherwise be payable under the IAC Incentive Plans to TM Employees for the Effective Time Year. TM shall also determine for TM Employees (A) the extent to which established performance criteria (as interpreted by TM, in its sole discretion) have been met, and (B) the payment level for each TM Employee. TM shall assume all Liabilities with respect to any such bonus awards payable to TM Employees for the Effective Time Year and thereafter.

(ii) Interval shall be responsible for determining all bonus awards that would otherwise be payable under the IAC Incentive Plans to Interval Employees for the Effective Time Year. Interval shall also determine for Interval Employees (A) the extent to which established performance criteria (as interpreted by Interval, in its sole discretion) have been met, and (B) the payment level for each Interval Employee. Interval shall assume all Liabilities with respect to any such bonus awards payable to Interval Employees for the Effective Time Year and thereafter.

(iii) HSN shall be responsible for determining all bonus awards that would otherwise be payable under the IAC Incentive Plans to HSN Employees for the Effective Time Year. HSN shall also determine for HSN Employees (A) the extent to which established

performance criteria (as interpreted by HSN, in its sole discretion) have been met, and (B) the payment level for each HSN Employee. HSN shall assume all Liabilities with respect to any such bonus awards payable to HSN Employees for the Effective Time Year and thereafter.

(iv) Tree shall be responsible for determining all bonus awards that would otherwise be payable under the IAC Incentive Plans to Tree Employees for the Effective Time Year. Tree shall also determine for Tree Employees (A) the extent to which established performance criteria (as interpreted by Tree, in its sole discretion) have been met, and (B) the payment level for each Tree Employee. Tree shall assume all Liabilities with respect to any such bonus awards payable to Tree Employees for the Effective Time Year and thereafter.

(b) IAC Bonus Awards. IAC shall retain all Liabilities with respect to any bonus awards payable under the IAC Incentive Plans to IAC Employees for the Effective Time Year and thereafter.

5.3 IAC Long-Term Incentive Plans. IAC and each of the SpinCos shall use commercially reasonable efforts to take all actions necessary or appropriate so that each outstanding Option and Award granted under any IAC Long-Term Incentive Plan held by any individual shall be adjusted as set forth in this Article V. Following the Separation, for any award adjusted under this Section 5.3, any reference to a “change in control,” “change of control” or similar definition in an award agreement, employment agreement or IAC Long-Term Incentive Plan applicable to such award (1) with respect to post-Separation equity awards denominated in shares of IAC Common Stock, such reference shall be deemed to refer to a “change in control,” “change of control” or similar definition as set forth in the applicable award agreement, employment agreement or IAC Long-Term Incentive Plan, (2) with respect to post-Separation equity awards denominated in shares of TM Common Stock, such reference shall be deemed to refer to a “Change in Control” as defined in the TM Long-Term Incentive Plan, (3) with respect to post-Separation equity awards denominated in

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shares of Interval Common Stock, such reference shall be deemed to refer to a “Change in Control” as defined in the Interval Long-Term Incentive Plan, (4) with respect to post-Separation equity awards denominated in shares of HSN Common Stock, such reference shall be deemed to refer to a “Change in Control” as defined in the HSN Long-Term Incentive Plan, and (5) with respect to post-Separation equity awards denominated in shares of Tree Common Stock, such reference shall be deemed to refer to a “Change in Control” as defined in the Tree Long-Term Incentive Plan.

(a) IAC Options Granted Prior to January 1, 2008. As determined by the Compensation and Human Resources Committee of the IAC Board of Directors (the “Committee”) pursuant to its authority under the applicable IAC Long-Term Incentive Plan, each IAC Option granted prior to January 1, 2008, whether vested or unvested, that is outstanding as of the Effective Time shall be converted at the Effective Time into an IAC Option, a TM Option, an Interval Option, an HSN Option and a Tree Option and shall otherwise be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such IAC Option immediately prior to the Effective Time, subject to the following adjustments which shall apply from and after the Effective Time:

(i) (A) the number of shares of IAC Common Stock subject to such IAC Option, rounded down to the nearest whole share, shall be equal to the product obtained by multiplying (1) the number of shares of IAC Common Stock subject to such IAC Option immediately prior to the Effective Time by (2) the IAC Factor, and (B) the per share exercise price of such IAC Option, rounded up to the nearest whole cent, shall be equal to the quotient obtained by dividing (1) the per share exercise price of such IAC Option immediately prior to the Effective Time by (2) the IAC Ratio;

(ii) (A) the number of shares of TM Common Stock subject to such TM Option, rounded down to the nearest whole share, shall be equal to the product obtained by multiplying (1) the number of shares of IAC Common Stock subject to such IAC Option immediately prior to the Effective Time by (2) the TM Factor, and (B) the per share exercise price of such TM Option, rounded up to the nearest whole cent, shall be equal to the quotient obtained by dividing (1) the per share exercise price of such IAC Option immediately prior to the Effective Time by (2) the TM Ratio (this clause (ii) shall not apply if IAC does not distribute shares of TM Common Stock on the Distribution Date);

(iii) (A) the number of shares of Interval Common Stock subject to such Interval Option, rounded down to the nearest whole share, shall be equal to the product obtained by multiplying (1) the number of shares of IAC Common Stock subject to such IAC Option immediately prior to the Effective Time by (2) the Interval Factor, and (B) the per share exercise price of such Interval Option, rounded up to the

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nearest whole cent, shall be equal to the quotient obtained by dividing (1) the per share exercise price of such IAC Option immediately prior to the Effective Time by (2) the Interval Ratio (this clause (iii) shall not apply if IAC does not distribute shares of Interval Common Stock on the Distribution Date);

(iv) (A) the number of shares of HSN Common Stock subject to such HSN Option, rounded down to the nearest whole share, shall be equal to the product obtained by multiplying (1) the number of shares of IAC Common Stock subject to such IAC Option immediately prior to the Effective Time by (2) the HSN Factor, and (B) the per share exercise price of such HSN Option, rounded up to the nearest whole cent, shall be equal to the quotient obtained by dividing (1) the per share exercise price of such IAC Option immediately prior to the Effective Time by (2) the HSN Ratio (this clause (iv) shall not apply if IAC does not distribute shares of HSN Common Stock on the Distribution Date); and

(v) (A) the number of shares of Tree Common Stock subject to such Tree Option, rounded down to the nearest whole share, shall be equal to the product obtained by multiplying (1) the number of shares of IAC Common Stock subject to such IAC Option immediately prior to the Effective Time by (2) the Tree Factor, and (B) the per share exercise price of such Tree Option, rounded up to the nearest whole cent, shall be equal to the quotient obtained by dividing (1) the per share exercise price of such IAC Option immediately prior to the Effective Time by (2) the Tree Ratio (this clause (v) shall not apply if IAC does not distribute shares of Tree Common Stock on the Distribution Date);

provided, however, that the exercise price, the number of shares of IAC Common Stock, TM Common Stock, Interval Common Stock, HSN Common Stock and Tree Common Stock subject to such options and the terms and conditions of exercise of such options shall be determined in a manner consistent with the requirements of Section 409A of the Code; provided, further, that, in the case of any IAC Option to which Section 421 of the Code applies by reason of its qualification under Section 422 of the Code as of immediately prior to the Effective Time, the exercise price, the number of shares of IAC Common Stock,



TM Common Stock, Interval Common Stock, HSN Common Stock and Tree Common Stock subject to such option and the terms and conditions of exercise of such option shall be determined in a manner consistent with the requirements of Section 424(a) of the Code.

(b) IAC Options Held by IAC Employees and Former IAC Employees Granted on or after January 1, 2008. As determined by the Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, each IAC Option held by an IAC Employee or a Former IAC Employee granted on or after January 1, 2008, whether vested or unvested, that is outstanding as of the Effective Time shall be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such IAC Option immediately prior to the Effective Time, subject to the following adjustments which shall apply from and after the Effective Time: (i) the number of shares of IAC Common Stock subject to such IAC Option, rounded down to the nearest whole share, shall be equal to the product of (A) the number of shares of IAC Common Stock subject to such IAC Option immediately prior to the Effective Time and (B) the IAC Ratio and (ii) the per share exercise price of such IAC Option, rounded up to the nearest whole cent, shall be equal to the quotient obtained by dividing (A) the per share exercise price of such IAC Option immediately prior to the Effective Time by (B) the IAC Ratio; provided, however, that the exercise price, the number of shares of IAC Common Stock subject to such option and the terms and conditions of exercise of such option shall be determined in a manner consistent with the requirements of Section 409A of the Code; provided, further, that, in the case of any IAC Option to which Section 421 of the Code applies by reason of its qualification under Section 422 of the Code as of immediately prior to the Effective Time, the exercise price, the number of shares of IAC Common Stock subject to such option and the terms and conditions of exercise of such option shall be determined in a manner consistent with the requirements of Section 424(a) of the Code.

(c) IAC Options Held by TM Employees and Former TM Employees Granted on or after January 1, 2008. As determined by the Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, each IAC Option held by a TM Employee or Former TM Employee granted on or after January 1, 2008, whether vested or unvested,

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that is outstanding as of the Effective Time shall be converted at the Effective Time into a TM Option and shall otherwise be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such IAC Option immediately prior to the Effective Time, subject to the following adjustments which shall apply from and after the Effective Time: (i) the number of shares of TM Common Stock subject to such Option, rounded down to the nearest whole share, shall be equal to the product of (A) the number of shares of IAC Common Stock subject to such IAC Option immediately prior to the Effective Time and (B) the TM Ratio and (ii) the per share exercise price of such TM Option, rounded up to the nearest whole cent, shall be equal to the quotient obtained by dividing (A) the per share exercise price of such IAC Option immediately prior to the Effective Time by (B) the TM Ratio; provided, however, that the exercise price, the number of shares of TM Common Stock subject to such option and the terms and conditions of exercise of such option shall be determined in a manner consistent with the requirements of Section 409A of the Code; provided, further, that, in the case of any IAC Option to which Section 421 of the Code applies by reason of its qualification under Section 422 of the Code as of the Effective Time, the exercise price, the number of shares of TM Common Stock subject to such option and the terms and conditions of exercise of such option shall be determined in a manner consistent with the requirements of Section 424(a) of the Code. This clause (c) shall not apply if IAC does not distribute shares of TM Common Stock on the Distribution Date.

(d) IAC Options Held by Interval Employees and Former Interval Employees Granted on or after January 1, 2008. As determined by the Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, each IAC Option held by an Interval Employee or Former Interval Employee granted on or after January 1, 2008, whether vested or unvested, that is outstanding as of the Effective Time shall be converted at the Effective Time into an Interval Option and shall otherwise be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such IAC Option immediately prior to the Effective Time, subject to the following adjustments which shall apply from and after the Effective Time: (i) the number of shares of Interval Common Stock subject to such Option, rounded down to the nearest whole share, shall be equal to the product of (A) the number of shares of IAC Common Stock subject to such IAC Option immediately prior to the Effective Time and (B) the Interval Ratio and (ii) the per share exercise price of such Interval Option, rounded up to the nearest whole cent, shall be equal to the quotient obtained by dividing (A) the per share exercise price of such IAC Option immediately prior to the Effective Time by (B) the Interval Ratio; provided, however, that the exercise price, the number of shares of Interval Common Stock subject to such option and the terms and conditions of exercise of such option shall be determined in a manner consistent with the requirements of Section 409A of the Code; provided, further, that, in the case of any IAC Option to which Section 421 of the Code applies by reason of its qualification under Section 422 of the Code as of the Effective Time, the exercise price, the number of shares of Interval Common Stock subject to such option and the terms and conditions of exercise of such option shall be determined in a manner consistent with the requirements of Section 424(a) of the Code. This clause (d) shall not apply if IAC does not distribute shares of Interval Common Stock on the Distribution Date.

(e) IAC Options Held by HSN Employees and Former HSN Employees Granted on or after January 1, 2008. As determined by the Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, each IAC Option held by an HSN Employee or Former HSN Employee granted on or after January 1, 2008, whether vested or unvested, that is outstanding as of the Effective Time shall be converted at the Effective Time into an HSN Option and shall otherwise be subject to the same terms and

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conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such IAC Option immediately prior to the Effective Time, subject to the following adjustments which shall apply from and after the Effective Time: (i) the number of shares of HSN Common Stock subject to such Option, rounded down to the nearest whole share, shall be equal to the product of (A) the number of shares of IAC Common Stock subject to such IAC Option immediately prior to the Effective Time and (B) the HSN Ratio and (ii) the per share exercise price of such HSN Option, rounded up to the nearest whole cent, shall be equal to the quotient obtained by dividing (A) the per share exercise price of such IAC Option immediately prior to the Effective Time by (B) the HSN Ratio; provided, however, that the exercise price, the number of shares of HSN Common Stock subject to such option and the terms and conditions of exercise of such option shall be determined in a manner consistent with the requirements of Section 409A of the Code; provided, further, that, in the case of any IAC Option to which Section 421 of the Code applies by reason of its qualification under Section 422 of the Code as of the Effective Time, the exercise price, the number of shares of HSN Common Stock subject to such option and the terms and conditions of exercise of such option shall be determined in a manner consistent with the requirements of Section 424(a) of the Code. This clause (e) shall not apply if IAC does not distribute shares of HSN Common Stock on the Distribution Date.

(f) IAC Options Held by Tree Employees and Former Tree Employees Granted on or after January 1, 2008. As determined by the Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, each IAC Option held by a Tree Employee or Former Tree Employee granted on or after January 1, 2008, whether vested or unvested, that is outstanding as of the Effective Time shall be converted at the Effective Time into a Tree Option and shall otherwise be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such IAC Option immediately prior to the Effective Time, subject to the following adjustments which shall apply from and after the Effective Time: (i) the number of shares of Tree Common Stock subject to such Option, rounded down to the nearest whole share, shall be equal to the product of (A) the number of shares of IAC Common Stock subject to such IAC Option immediately prior to the Effective Time and (B) the Tree Ratio and (ii) the per share exercise price of such Tree Option, rounded up to the nearest whole cent, shall be equal to the quotient obtained by dividing (A) the per share exercise price of such IAC Option immediately prior to the Effective Time by (B) the Tree Ratio; provided, however, that the exercise price, the number of shares of Tree Common Stock subject to such option and the terms and conditions of exercise of such option shall be determined in a manner consistent with the requirements of Section 409A of the Code; provided, further, that, in the case of any IAC Option to which Section 421 of the Code applies by reason of its qualification under Section 422 of the Code as of the Effective Time, the exercise price, the number of shares of Tree Common Stock subject to such option and the terms and conditions of exercise of such option shall be determined in a manner consistent with the requirements of Section 424(a) of the Code. This clause (f) shall not apply if IAC does not distribute shares of Tree Common Stock on the Distribution Date.

(g) IAC Restricted Stock Units.

(i) Conversion of Growth Share Awards. IAC has awarded IAC Restricted Stock Units that may vest from 0% to 200% of the IAC Restricted Stock Units granted depending upon the performance of IAC (the "Growth Share Awards"). As determined by the Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, prior to the Effective Time and prior to any other action contemplated by this Section 5.3(g), the Growth Share Awards shall be amended such that the number of IAC Restricted Stock Units subject to each Growth Share

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Award shall be fixed at 100% (target) of the IAC Restricted Stock Units subject to the initial Growth Share Award (there will be no upward or downward variability and the balance of the IAC Restricted Stock Units subject to the initial Growth Share Award shall be forfeited), the vesting of such IAC Restricted Stock Units shall cease to be subject to satisfaction of performance goals (subject to the last sentence of this Section 5.3(g)(i)), the IAC Restricted Stock Units subject to each Growth Share Award shall Cliff Vest on the three-year anniversary of the initial grant date of such Growth Share Award and the IAC Restricted Stock Units subject to each Growth Share Award shall otherwise remain subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such IAC Restricted Stock Units immediately prior to the Effective Time, subject to any further adjustments described in this Section 5.3(g). The vesting of Growth Share Awards intended to satisfy the performance-based compensation exception under Section 162(m) of the Code will remain subject to applicable performance goals adopted for purposes of Section 162(m) of the Code.

(ii) Accelerated Vesting and Settlement of Certain IAC Restricted Stock Units. As determined by the Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, other than any IAC Restricted Stock Units set forth on **Schedule B**, for (I) all IAC Restricted Stock Units (x) awarded prior to August 8, 2005 or (y) awarded on or after August 8, 2005, but prior to January 1, 2008, and scheduled to vest on or before February 28, 2009, and (II) all Five Way IAC RSUs (as defined below) held by award holders with respect to whom the Committee determines to provide for accelerated vesting on the Distribution Date (clauses (I) and (II) together, "Accelerated RSUs"):

(A) subject to the proviso below, with respect to the Accelerated RSUs identified by IAC, such Accelerated RSUs will vest on the Distribution Date and be settled on January 2, 2009, such that on January 2, 2009, for each share of IAC Common Stock underlying any such award immediately prior to the Effective Time (less any shares that are settled in accordance with the proviso below), the holder of such award shall be entitled to receive (subject to application of Section 5.3(g)(ix) below): (1) a number of shares of IAC Common Stock, rounded up to the nearest whole share, equal to the number of shares of IAC Common Stock to which the holder would be entitled if the holder held the shares of IAC Common Stock (less any shares that are settled in accordance with the proviso below) underlying such IAC Restricted Stock Units immediately prior to the Effective Time ("Delayed IAC Common Stock") (i.e., 0.5 shares of IAC Common Stock for each share of IAC Common Stock); (2) a number of shares of TM Common Stock, rounded up to the nearest whole share, equal to the number of shares of TM Common Stock to which the holder would be entitled if the holder held the shares of IAC Common Stock (less any shares that are settled in accordance with the proviso below) underlying such IAC Restricted Stock Units immediately prior to the Effective Time (i.e., 0.2 shares of TM Common Stock for each share of IAC Common Stock) ("Delayed TM Common Stock") (this clause (2) shall not apply if IAC does not distribute shares of TM Common Stock on the Distribution Date); (3) a number of shares of Interval Common Stock, rounded up to the nearest whole share, equal to the number of shares of Interval Common Stock to which the holder would be entitled if the holder held the shares of IAC Common Stock (less any shares that are settled in accordance with the proviso below) underlying such IAC Restricted Stock Units immediately prior to the Effective Time (i.e., 0.2 shares of Interval Common Stock for each share of IAC Common Stock) ("Delayed Interval Common Stock") (this clause (3) shall not apply if IAC does not distribute shares of Interval Common

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Stock on the Distribution Date); (4) a number of shares of HSN Common Stock, rounded up to the nearest whole share, equal to the number of shares of HSN Common Stock to which the holder would be entitled if the holder held the shares of IAC Common Stock (less any shares that are settled in accordance with the proviso below) underlying such IAC Restricted Stock Units immediately prior to the Effective Time (i.e., 0.2 shares of HSN Common Stock for each share of IAC Common Stock) ("Delayed HSN Common Stock") (this clause (4) shall not apply if IAC does not distribute shares of HSN Common Stock on the Distribution Date); and (5) a number of shares of Tree Common Stock, rounded up to the nearest whole share, equal to the number of shares of Tree Common Stock to which the holder would be entitled if the holder held the shares of IAC Common Stock (less any shares that are settled in accordance with the proviso below) underlying such IAC Restricted Stock Units immediately prior to the Effective Time (i.e., 0.03333 shares of Tree Common Stock for each share of IAC Common Stock) ("Delayed Tree Common Stock," and together with Delayed IAC Common Stock, Delayed TM Common Stock, Delayed Interval Common Stock and Delayed HSN Common Stock, "Delayed Common Stock") (this clause (5) shall not apply if IAC does not distribute shares of Tree Common Stock on the Distribution Date); provided, however, that immediately prior to the Effective Time, with respect to each individual holding IAC Restricted Stock Units subject to this Section 5.3(g)(ii)(A), IAC shall settle a number of IAC Restricted Stock Units (and withhold the corresponding number of shares of IAC Common Stock underlying such IAC Restricted Stock Units) sufficient to satisfy (x) any tax payable by such holder under the Federal Insurance Contributions

Act (“FICA”) by virtue of the operation of this Section 5.3(b)(ii)(A) (the “FICA Amount”), and (y) applicable income tax on wages imposed under Section 3401 of the Code or the corresponding withholding provisions of applicable state, local or foreign tax laws as a result of the payment of the FICA Amount, and to pay the additional income tax at source on wages attributable to the pyramiding Code Section 3401 wages and taxes (such withholding based on the value of a share of IAC Common Stock trading “regular way with due bills”); provided, further, however, that any fractional amounts remaining after payment of the foregoing shall be converted into cash and shall accrue interest at the applicable federal rate provided for in Section 7872(f)(2)(A) of the Code and shall be payable by IAC on January 2, 2009; and

(B) with respect to any holder whose Accelerated RSUs are not subject to Tax in the United States and are not subject to Section 409A of the Code, such holder’s Accelerated RSUs will vest immediately prior to the Effective Time and be settled in cash in accordance with IAC’s customary practices applicable to such holder; and

(C) with respect to all other Accelerated RSUs not addressed in clause (A) or clause (B) above, such Accelerated RSUs will vest immediately prior to the Effective Time and be settled as soon as reasonably practicable following the Effective Time, such that for each share of IAC Common Stock underlying any such award immediately prior to the Effective Time (less a number of shares of IAC Common Stock withheld to satisfy any tax withholding obligations with respect to the vesting and settlement of such IAC Restricted Stock Units, such withholding based on the value of a share of IAC Common Stock trading “regular way with due bills,” the “Withheld Shares”), IAC will deliver or cause to be delivered: (1) a number of shares of IAC Common Stock, rounded up to the nearest whole share, equal to the number of shares of IAC Common Stock to which the holder would be entitled if the holder held the shares of IAC Common Stock (less Withheld Shares) underlying such IAC Restricted Stock Units immediately prior to the Effective Time (*i.e.*, 0.5 shares of

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IAC Common Stock for each share of IAC Common Stock); (2) a number of shares of TM Common Stock, rounded up to the nearest whole share, equal to the number of shares of TM Common Stock to which the holder would be entitled if the holder held the shares of IAC Common Stock (less Withheld Shares) underlying such IAC Restricted Stock Units immediately prior to the Effective Time (*i.e.*, 0.2 shares of TM Common Stock for each share of IAC Common Stock) (this clause (2) shall not apply if IAC does not distribute shares of TM Common Stock on the Distribution Date); (3) a number of shares of Interval Common Stock, rounded up to the nearest whole share, equal to the number of shares of Interval Common Stock to which the holder would be entitled if the holder held the shares of IAC Common Stock (less Withheld Shares) underlying such IAC Restricted Stock Units immediately prior to the Effective Time (*i.e.*, 0.2 shares of Interval Common Stock for each share of IAC Common Stock) (this clause (3) shall not apply if IAC does not distribute shares of Interval Common Stock on the Distribution Date); (4) a number of shares of HSN Common Stock, rounded up to the nearest whole share, equal to the number of shares of HSN Common Stock to which the holder would be entitled if the holder held the shares of IAC Common Stock (less Withheld Shares) underlying such IAC Restricted Stock Units immediately prior to the Effective Time (*i.e.*, 0.2 shares of HSN Common Stock for each share of IAC Common Stock) (this clause (4) shall not apply if IAC does not distribute shares of HSN Common Stock on the Distribution Date); and (5) a number of shares of Tree Common Stock, rounded up to the nearest whole share, equal to the number of shares of Tree Common Stock to which the holder would be entitled if the holder held the shares of IAC Common Stock (less Withheld Shares) underlying such IAC Restricted Stock Units immediately prior to the Effective Time (*i.e.*, 0.03333 shares of Tree Common Stock for each share of IAC Common Stock) (this clause (5) shall not apply if IAC does not distribute shares of Tree Common Stock on the Distribution Date).

Each SpinCo shall be responsible for all applicable Taxes (including, but not limited to, withholding and excise taxes) with respect to the settlement prior to the Effective Time and pursuant to this Section 5.3(g)(ii) of Accelerated RSUs held by such SpinCo’s SpinCo Employees and Former SpinCo Employees.

(iii) Treatment of Certain Cliff Vesting IAC Restricted Stock Unit Awards Scheduled to Vest After February 28, 2009. As determined by the Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, for each Cliff Vesting IAC Restricted Stock Unit Award granted prior to January 1, 2008 and scheduled to vest after February 28, 2009 (including the Growth Share Awards, but excluding any IAC Restricted Stock Units set forth on **Schedule B**), with respect to such number of IAC Restricted Stock Units (rounded up to the nearest whole share) that would have vested on or before February 28, 2009 if the award had been an annual installment vesting award (*e.g.*, 60% of a 5-year Cliff Vesting award granted on February 1 of 2006) (the “Five Way IAC RSUs”), for all award holders (other than award holders with respect to whom the Committee determines to provide for accelerated vesting as contemplated by clause (ii) above), the Five Way IAC RSUs held as of immediately prior to the Effective Time shall be converted at the Effective Time into:

(A) IAC Restricted Stock Units, and shall otherwise be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such Five Way IAC RSUs immediately prior to the Effective Time, subject to the following adjustment which shall apply from and after the Effective Time: the number of shares of IAC Common

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Stock covered by such IAC Restricted Stock Units, rounded up to the nearest whole share, shall be equal to the number of shares of IAC Common Stock to which the holder of the Five Way IAC RSUs would be entitled had the Five Way IAC RSUs represented actual shares of IAC Common Stock immediately prior to the Effective Time (*i.e.*, 0.5 shares of IAC Common Stock for each share of IAC Common Stock);

(B) TM Restricted Stock Units, and shall otherwise be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such Five Way IAC RSUs immediately prior to the Effective Time, subject to the following adjustment which shall apply from and after the Effective Time: the number of shares of TM Common Stock covered by such TM Restricted Stock Units, rounded up to the nearest whole share, shall be equal to the number of shares of TM Common Stock to which the holder of the Five Way IAC RSUs would be entitled had the Five Way IAC RSUs represented actual shares of IAC Common Stock immediately prior to the Effective Time (*i.e.*, 0.2 shares of TM Common Stock for each share of IAC Common Stock) (this clause (B) shall not apply if IAC does not distribute shares of TM Common Stock on the Distribution Date);

(C) Interval Restricted Stock Units, and shall otherwise be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such Five Way IAC RSUs immediately prior to the Effective

Time, subject to the following adjustment which shall apply from and after the Effective Time: the number of shares of Interval Common Stock covered by such Interval Restricted Stock Units, rounded up to the nearest whole share, shall be equal to the number of shares of Interval Common Stock to which the holder of the Five Way IAC RSUs would be entitled had the Five Way IAC RSUs represented actual shares of IAC Common Stock immediately prior to the Effective Time (*i.e.*, 0.2 shares of Interval Common Stock for each share of IAC Common Stock) (this clause (C) shall not apply if IAC does not distribute shares of Interval Common Stock on the Distribution Date);

(D) HSN Restricted Stock Units, and shall otherwise be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such Five Way IAC RSUs immediately prior to the Effective Time, subject to the following adjustment which shall apply from and after the Effective Time: the number of shares of HSN Common Stock covered by such HSN Restricted Stock Units, rounded up to the nearest whole share, shall be equal to the number of shares of HSN Common Stock to which the holder of the Five Way IAC RSUs would be entitled had the Five Way IAC RSUs represented actual shares of IAC Common Stock immediately prior to the Effective Time (*i.e.*, 0.2 shares of HSN Common Stock for each share of IAC Common Stock) (this clause (D) shall not apply if IAC does not distribute shares of HSN Common Stock on the Distribution Date); and

(E) Tree Restricted Stock Units, and shall otherwise be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such Five Way IAC RSUs immediately prior to the Effective Time, subject to the following adjustment which shall apply from and after the Effective Time: the number of shares of Tree Common Stock covered by such Tree Restricted Stock Units, rounded up to the nearest whole share, shall be equal to the number of shares of Tree Common Stock to which the holder of the Five Way IAC RSUs would be entitled had the Five Way IAC RSUs

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represented actual shares of IAC Common Stock immediately prior to the Effective Time (*i.e.*, 0.03333 shares of Tree Common Stock for each share of IAC Common Stock) (this clause (E) shall not apply if IAC does not distribute shares of Tree Common Stock on the Distribution Date).

(iv) Other IAC Restricted Stock Units Held by IAC Employees and Former IAC Employees. As determined by the Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, the IAC Restricted Stock Units held by an IAC Employee or a Former IAC Employee (other than those IAC Restricted Stock Units converted pursuant to Section 5.3(g)(ii) or Section 5.3(g)(iii)) shall be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such IAC Restricted Stock Units immediately prior to the Effective Time, subject to the following adjustment which shall apply from and after the Effective Time: the number of shares of IAC Common Stock covered by such IAC Restricted Stock Units, rounded up to the nearest whole share, shall be equal to the product of (A) the number of shares of IAC Common Stock covered by such IAC Restricted Stock Units immediately prior to the Effective Time and (B) the IAC Ratio.

(v) Other IAC Restricted Stock Units Held by TM Employees and Former TM Employees. As determined by the Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, the IAC Restricted Stock Units held by a TM Employee or a Former TM Employee as of the Effective Time (other than those IAC Restricted Stock Units converted pursuant to Section 5.3(g)(ii) or Section 5.3(g)(iii)) shall be converted at the Effective Time into TM Restricted Stock Units, and shall otherwise be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such IAC Restricted Stock Units immediately prior to the Effective Time, subject to the following adjustment which shall apply from and after the Effective Time: the number of shares of TM Common Stock covered by such TM Restricted Stock Units, rounded up to the nearest whole share, shall be equal to the product of (A) the number of shares of IAC Common Stock covered by such IAC Restricted Stock Units immediately prior to the Effective Time and (B) the TM Ratio. This clause (v) shall not apply if IAC does not distribute shares of TM Common Stock on the Distribution Date.

(vi) Other IAC Restricted Stock Units Held by Interval Employees and Former Interval Employees. As determined by the Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, the IAC Restricted Stock Units held by an Interval Employee or a Former Interval Employee as of the Effective Time (other than those IAC Restricted Stock Units converted pursuant to Section 5.3(g)(ii) or Section 5.3(g)(iii)) shall be converted at the Effective Time into Interval Restricted Stock Units, and shall otherwise be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such IAC Restricted Stock Units immediately prior to the Effective Time, subject to the following adjustment which shall apply from and after the Effective Time: the number of shares of Interval Common Stock covered by such Interval Restricted Stock Units, rounded up to the nearest whole share, shall be equal to the product of (A) the number of shares of IAC Common Stock covered by such IAC Restricted Stock Units immediately prior to the Effective Time and (B) the Interval Ratio. This clause (vi) shall not apply if IAC does not distribute shares of Interval Common Stock on the Distribution Date.

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(vii) Other IAC Restricted Stock Units Held by HSN Employees and Former HSN Employees. As determined by the Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, the IAC Restricted Stock Units held by an HSN Employee or a Former HSN Employee as of the Effective Time (other than those IAC Restricted Stock Units converted pursuant to Section 5.3(g)(ii) or Section 5.3(g)(iii)) shall be converted at the Effective Time into HSN Restricted Stock Units, and shall otherwise be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such IAC Restricted Stock Units immediately prior to the Effective Time, subject to the following adjustment which shall apply from and after the Effective Time: the number of shares of HSN Common Stock covered by such HSN Restricted Stock Units, rounded up to the nearest whole share, shall be equal to the product of (A) the number of shares of IAC Common Stock covered by such IAC Restricted Stock Units immediately prior to the Effective Time and (B) the HSN Ratio. This clause (vii) shall not apply if IAC does not distribute shares of HSN Common Stock at the Effective Time.

(viii) Other IAC Restricted Stock Units Held by Tree Employees and Former Tree Employees. As determined by the Committee pursuant to its authority under the applicable IAC Long-Term Incentive Plan, the IAC Restricted Stock Units held by a Tree Employee or a Former Tree Employee as of the Effective Time (other than those IAC Restricted Stock Units converted pursuant to Section 5.3(g)(ii) or Section 5.3(g)(iii)) shall be converted at the Effective Time into Tree Restricted Stock Units, and shall otherwise be subject to the same terms and conditions (including with respect to vesting) after the Effective Time as the terms and conditions applicable to such IAC Restricted Stock Units immediately prior to the Effective Time, subject to the following adjustment which shall apply from and after the Effective Time: the number of

shares of Tree Common Stock covered by such Tree Restricted Stock Units, rounded up to the nearest whole share, shall be equal to the product of (A) the number of shares of IAC Common Stock covered by such IAC Restricted Stock Units immediately prior to the Effective Time and (B) the Tree Ratio. This clause (viii) shall not apply if IAC does not distribute shares of Tree Common Stock at the Effective Time.

(ix) Delayed Common Stock Diversification Arrangement; Settlement of Delayed Common Stock. Each holder's Delayed Common Stock will be recorded in a book entry account administered by IAC or its designee and each such book entry account will be subdivided among each Party's Delayed Common Stock and further subdivided between stock settled accounts and cash settled accounts. Each holder of Delayed Common Stock will have the ability to elect to convert any of such holder's Delayed Common Stock to a cash settled account on not more than five "occasions" based on (1) the closing trading price of the applicable Delayed Common Stock on the date of the holder's election if the holder makes an election during trading hours or (2) the closing trading price of the applicable Delayed Common Stock during the next trading session immediately following the holder's election if the holder makes an election outside of trading hours. An "occasion" shall mean an email notice from a holder to the administrator, containing an election with respect to one or more Party's Delayed Common Stock (but not more than one election with respect to any particular Delayed Common Stock). Elections with respect to this diversification arrangement shall be irrevocable and shall be made solely with respect to whole shares of Delayed Common Stock. Cash settled accounts will accrue interest at 2.5% per annum, with amounts accruing interest from the first day following the date of conversion into a cash account through and

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until January 2, 2009. Individuals will not be entitled to move amounts from cash settled accounts into stock settled accounts. Accounts will be frozen during the ten (10) Business Days immediately following the Separation and from November 30, 2008 through January 2, 2009. On January 2, 2009, each Party will settle all cash and stock denominated accounts relating to such Party's Delayed Common Stock (subject to applicable Tax withholdings) using shares of such Party's common stock with respect to stock denominated accounts and U.S. dollars with respect to cash denominated accounts and such settlement obligation shall be a Liability solely of such Party and no other Party to this Agreement. IAC shall have sole discretion to modify the diversification arrangement.

(h) IAC Restricted Stock. Shares of IAC Restricted Stock that are outstanding immediately prior to the Effective Time shall be treated in the Separation in the same manner as other outstanding shares of IAC Common Stock are treated in the Separation and will otherwise be subject to the same terms and conditions (including vesting conditions) applicable to such shares of IAC Restricted Stock immediately prior to the Separation.

(i) Foreign Grants/Awards. To the extent that the IAC Awards or any of the IAC Options are granted to non-U.S. employees under any domestic or foreign equity-based incentive program sponsored by an IAC Entity, IAC, TM, Interval, HSN and Tree shall use their commercially reasonable efforts to preserve, at and after the Effective Time, the value and tax treatment accorded to such IAC Options and such IAC Awards granted to non-U.S. employees under any domestic or foreign equity-based incentive program sponsored by an IAC Entity.

(j) Miscellaneous Option and Other Award Terms.

(i) After the Distribution Date, (A) IAC Options and IAC Awards adjusted pursuant to Section 5.3, regardless of by whom held, shall be settled by IAC pursuant to the terms of the applicable IAC Long-Term Incentive Plan, (B) TM Options and TM Awards, regardless of by whom held, shall be settled by TM pursuant to the terms of the TM Long-Term Incentive Plan, (C) Interval Options and Interval Awards, regardless of by whom held, shall be settled by Interval pursuant to the terms of the Interval Long-Term Incentive Plan, (D) HSN Options and HSN Awards, regardless of by whom held, shall be settled by HSN pursuant to the terms of the HSN Long-Term Incentive Plan, and (E) Tree Options and Tree Awards, regardless of by whom held, shall be settled by Tree pursuant to the terms of the Tree Long-Term Incentive Plan.

(ii) Accordingly, it is intended that, (A) to the extent of the issuance of such TM Options and TM Awards in connection with the adjustment provisions of this Section 5.3, the TM Long-Term Incentive Plan shall be considered a successor to each of the IAC Long-Term Incentive Plans and TM shall be considered to have assumed the obligations of the applicable IAC Long-Term Incentive Plan to make the adjustment of the IAC Options and IAC Awards as set forth in this Section 5.3, (B) to the extent of the issuance of such Interval Options and Interval Awards in connection with the adjustment provisions of this Section 5.3, the Interval Long-Term Incentive Plan shall be considered a successor to each of the IAC Long-Term Incentive Plans and Interval shall be considered to have assumed the obligations of the applicable IAC Long-Term Incentive Plan to make the adjustment of the IAC Options and IAC Awards as set forth in this Section 5.3, (C) to the extent of the issuance of such HSN Options and HSN Awards in connection with the adjustment

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provisions of this Section 5.3, the HSN Long-Term Incentive Plan shall be considered a successor to each of the IAC Long-Term Incentive Plans and HSN shall be considered to have assumed the obligations of the applicable IAC Long-Term Incentive Plan to make the adjustment of the IAC Options and IAC Awards as set forth in this Section 5.3 and (D) to the extent of the issuance of such Tree Options and Tree Awards in connection with the adjustment provisions of this Section 5.3, the Tree Long-Term Incentive Plan shall be considered a successor to each of the IAC Long-Term Incentive Plans and Tree shall be considered to have assumed the obligations of the applicable IAC Long-Term Incentive Plan to make the adjustment of the IAC Options and IAC Awards as set forth in this Section 5.3.

(iii) (A) The Effective Time shall not constitute a termination of employment for any TM Employees for purposes of any IAC Option or IAC Award, any Interval Option or Interval Award, any HSN Option or HSN Award or any Tree Option or Tree Award and, except as otherwise provided in this Agreement, with respect to grants adjusted pursuant to this Section 5.3, (1) employment with TM shall be treated as employment with IAC with respect to IAC Options or IAC Awards held by TM Employees, (2) employment with TM shall be treated as employment with Interval with respect to Interval Options or Interval Awards held by TM Employees, (3) employment with TM shall be treated as employment with HSN with respect to HSN Options and HSN Awards held by TM Employees and (4) employment with TM shall be treated as employment with Tree with respect to Tree Options and Tree Awards held by TM Employees.

(B) The Effective Time shall not constitute a termination of employment for any Interval Employees for purposes of any IAC Option or IAC Award, any TM Option or TM Award, any HSN Option or HSN Award or any Tree Option or Tree Award and, except as otherwise provided in this Agreement, with respect to grants adjusted pursuant to this Section 5.3, (1) employment with Interval shall be treated as

employment with IAC with respect to IAC Options or IAC Awards held by Interval Employees, (2) employment with Interval shall be treated as employment with TM with respect to TM Options or TM Awards held by Interval Employees, (3) employment with Interval shall be treated as employment with HSN with respect to HSN Options and HSN Awards held by Interval Employees and (4) employment with Interval shall be treated as employment with Tree with respect to Tree Options and Tree Awards held by Interval Employees.

(C) The Effective Time shall not constitute a termination of employment for any HSN Employees for purposes of any IAC Option or IAC Award, any TM Option or TM Award, any Interval Option or Interval Award or any Tree Option or Tree Award and, except as otherwise provided in this Agreement, with respect to grants adjusted pursuant to this Section 5.3, (1) employment with HSN shall be treated as employment with IAC with respect to IAC Options or IAC Awards held by HSN Employees, (2) employment with HSN shall be treated as employment with TM with respect to TM Options or TM Awards held by HSN Employees, (3) employment with HSN shall be treated as employment with Interval with respect to Interval Options and Interval Awards held by HSN Employees and (4) employment with HSN shall be treated as employment with Tree with respect to Tree Options and Tree Awards held by HSN Employees.

(D) The Effective Time shall not constitute a termination of employment for any Tree Employees for purposes of any IAC Option or IAC Award, any TM Option or TM Award, any Interval Option or Interval Award or any HSN

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Option or HSN Award and, except as otherwise provided in this Agreement, with respect to grants adjusted pursuant to this Section 5.3, (1) employment with Tree shall be treated as employment with IAC with respect to IAC Options or IAC Awards held by Tree Employees, (2) employment with Tree shall be treated as employment with TM with respect to TM Options or TM Awards held by Tree Employees, (3) employment with Tree shall be treated as employment with Interval with respect to Interval Options and Interval Awards held by Tree Employees and (4) employment with Tree shall be treated as employment with HSN with respect to HSN Options and HSN Awards held by Tree Employees.

(E) Except as otherwise provided in this Agreement, with respect to grants adjusted pursuant to this Section 5.3, (1) employment with IAC shall be treated as employment with TM with respect to TM Options or TM Awards held by IAC Employees, (2) employment with IAC shall be treated as employment with Interval with respect to Interval Options and Interval Awards held by IAC Employees, (3) employment with IAC shall be treated as employment with HSN with respect to HSN Options and HSN Awards held by IAC Employees and (4) employment with IAC shall be treated as employment with Tree with respect to Tree Options and Tree Awards held by IAC Employees.

(k) Waiting Period for Exercisability of Options and Grant of Options and Awards. The IAC Options, TM Options, Interval Options, HSN Options and Tree Options shall not be exercisable during a period beginning on a date prior to the Distribution Date determined by IAC in its sole discretion, and continuing until the IAC Post-Separation Stock Value, the TM Stock Value, the Interval Stock Value, the HSN Stock Value and the Tree Stock Value are determined after the Effective Time, or such longer period as IAC, with respect to IAC Options, TM, with respect to TM Options, Interval, with respect to Interval Options, HSN, with respect to HSN Options and Tree, with respect to Tree Options, determines necessary to implement the provisions of this Section 5.3. The IAC Restricted Stock Units, TM Restricted Stock Units, Interval Restricted Stock Units, HSN Restricted Stock Units and Tree Restricted Stock Units shall not be settled during a period beginning on a date prior to the Distribution Date determined by IAC in its sole discretion, and continuing until the IAC Post-Separation Stock Value, the TM Stock Value, the Interval Stock Value, the HSN Stock Value and the Tree Stock Value are determined immediately after the Effective Time, or such longer period as IAC, with respect to IAC Restricted Stock Units, TM, with respect to TM Restricted Stock Units, Interval, with respect to Interval Restricted Stock Units, HSN, with respect to HSN Stock Units and Tree, with respect to Tree Stock Units, determines necessary to implement the provisions of this Section 5.3.

(l) Exercise of IAC Options after Distribution Record Date and prior to Distribution Date; IAC Restricted Stock Units that Vest after Distribution Record Date and prior to Distribution Date.

(i) In the event that any holder exercises an IAC Option after the first Distribution Record Date (as defined in the Separation Agreement) and on or prior to August 15, 2008 (option exercises will not be permitted during the three Business Days immediately preceding the Distribution Date), IAC will coordinate with Smith Barney and Bank of New York to ensure that such holder exercises such IAC Option with respect to shares of IAC Common Stock trading “regular way with due bills.”

(ii) With respect to any individual that holds IAC Restricted Stock Units that vest after the first Distribution Record Date (as defined in the Separation

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Agreement) and prior to the Distribution Date, (A) IAC will deliver (or cause to be delivered) to such holder shares of IAC Common Stock in settlement of such IAC Restricted Stock Units due to such holder upon vesting, giving effect to the withholding of shares of IAC Common Stock to satisfy any tax withholding obligations with respect to the settlement of such IAC Restricted Stock Units, such withholding based on the value of a share of IAC Common Stock trading “regular way with due bills” (the number of shares, net of shares withheld to satisfy the tax withholding obligations, the “Net RSU Shares”) and (B) as soon as reasonably practicable following the Distribution Date, IAC will be obligated to deliver (or cause to be delivered) to such holder or such holder’s transferee(s) the number of shares of SpinCo Common Stock with respect to each SpinCo (and any cash in lieu of fractional shares) that such holder would be entitled to receive if the holder owned the number of Net RSU Shares on the first Distribution Record Date (as defined in the Separation Agreement) and such Net RSU Shares shall be subject to the one-for-two reverse stock split.

(m) Obligation to Deliver Shares. Except as provided in Section 5.3(g)(ii)(C) and Section 5.3(l):

(i) The obligation to deliver shares of IAC Common Stock upon the exercise of IAC Stock Options or the settlement of IAC Restricted Stock Units shall be a Liability of IAC.

(ii) The obligation to deliver shares of TM Common Stock upon the exercise of TM Stock Options or the settlement of TM Restricted Stock Units shall be a Liability of TM.

(iii) The obligation to deliver shares of HSN Common Stock upon the exercise of HSN Stock Options or the settlement of HSN Restricted Stock Units shall be a Liability of HSN.

(iv) The obligation to deliver shares of Interval Common Stock upon the exercise of Interval Stock Options or the settlement of Interval Restricted Stock Units shall be a Liability of Interval.

(v) The obligation to deliver shares of Tree Common Stock upon the exercise of Tree Stock Options or the settlement of Tree Restricted Stock Units shall be a Liability of Tree.

(n) Equity Plan Administrator. Each of IAC, TM, Interval, HSN and Tree agrees that it will use Smith Barney to administer all employee equity awards that are outstanding immediately following the Effective Time (including all such equity awards that are adjusted in accordance with this Section 5.3).

(o) Equity and Bonus Compensation Agreement with Barry Diller. For the avoidance of doubt, Section 5 of the Equity and Bonus Compensation Agreement with Barry Diller shall be binding on IAC and each SpinCo to the extent that any payment or distribution by such Party to or for the benefit of Mr. Diller would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by Mr. Diller with respect to such excise tax.

(p) Abandonment. In the event that on or prior to the Distribution Date IAC abandons a Distribution (as defined in the Separation Agreement) with respect to one

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or more SpinCos, the adjustments set forth in this Section 5.3 will apply as described above except that there will be no conversion of IAC equity awards into equity awards of a SpinCo the shares of common stock of which IAC does not distribute and SpinCo Employees and Former SpinCo Employees of any such SpinCo will be treated as IAC Employees and Former IAC Employees, respectively, for purposes of such adjustments.

(q) Restrictive Covenants.

(i) Following the Distribution Date, TM shall use commercially reasonable efforts to monitor the TM Employees and Former TM Employees to determine whether any such TM Employees or Former TM Employees have breached any of the restrictive covenants in the agreements evidencing the terms of their IAC Options and IAC Awards. As soon as practicable following TM's reasonable belief that a TM Employee or Former TM Employee has breached any such covenant, TM shall provide IAC in writing with the name and address of such employee or former employee and a description of the breach that such employee or former employee is believed to have committed. Notwithstanding the foregoing or anything in any agreement evidencing the terms of any IAC Options and IAC Awards or otherwise to the contrary, it shall not be a violation of any IAC non-competition or non-solicitation of clients or customers covenant for a TM Employee to engage in acts on behalf of TM or a TM Entity that are otherwise prohibited by the terms of such non-competition or non-solicitation of clients or customers covenants and it shall not be a violation of any TM non-competition or non-solicitation of clients or customers covenant for an IAC Employee to engage in acts on behalf of IAC or an IAC Entity that are otherwise prohibited by the terms of such non-competition or non-solicitation of clients or customers covenants. In addition, following the Effective Time, the restrictive covenants (including, without limitation, any proprietary rights agreements or confidential information covenants) to which any TM Employee or Former TM Employee are party shall run in favor of TM (and, to the extent relating to IAC, shall run in favor of IAC to the same extent that they ran in favor of IAC immediately prior to the Effective Time; provided, that the Effective Time shall be treated as a termination of employment from IAC for purposes of the duration of IAC's ability to enforce the restrictive covenant) and the restrictive covenants to which any IAC Employee or Former IAC Employee are party shall run in favor of IAC. Any employment agreement between IAC and a TM Employee or Former TM Employee shall as of the Effective Time be assigned by IAC to TM and assumed by TM.

(ii) Following the Distribution Date, Interval shall use commercially reasonable efforts to monitor the Interval Employees and Former Interval Employees to determine whether any such Interval Employees or Former Interval Employees have breached any of the restrictive covenants in the agreements evidencing the terms of their IAC Options and IAC Awards. As soon as practicable following Interval's reasonable belief that an Interval Employee or Former Interval Employee has breached any such covenant, Interval shall provide IAC in writing with the name and address of such employee or former employee and a description of the breach that such employee or former employee is believed to have committed. Notwithstanding the foregoing or anything in any agreement evidencing the terms of any IAC Options and IAC Awards or otherwise to the contrary, it shall not be a violation of

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any IAC non-competition or non-solicitation of clients or customers covenant for an Interval Employee to engage in acts on behalf of Interval or an Interval Entity that are otherwise prohibited by the terms of such non-competition or non-solicitation of clients or customers covenants and it shall not be a violation of any Interval non-competition or non-solicitation of clients or customers covenant for an IAC Employee to engage in acts on behalf of IAC or an IAC Entity that are otherwise prohibited by the terms of such non-competition or non-solicitation of clients or customers covenants. In addition, following the Effective Time, the restrictive covenants (including, without limitation, any proprietary rights agreements or confidential information covenants) to which any Interval Employee or Former Interval Employee are party shall run in favor of Interval (and, to the extent relating to IAC, shall run in favor of IAC to the same extent that they ran in favor of IAC immediately prior to the Effective Time; provided, that the Effective Time shall be treated as a termination of employment from IAC for purposes of the duration of IAC's ability to enforce the restrictive covenant) and the restrictive covenants to which any IAC Employee or Former IAC Employee are party shall run in favor of IAC. Any employment agreement between IAC and an Interval Employee or Former Interval Employee shall as of the Effective Time be assigned by IAC to Interval and assumed by Interval.

(iii) Following the Distribution Date, HSN shall use commercially reasonable efforts to monitor the HSN Employees and Former HSN Employees to determine whether any such HSN Employees or Former HSN Employees have breached any of the restrictive covenants in the agreements evidencing the terms of their IAC Options and IAC Awards. As soon as practicable following HSN's reasonable belief that an HSN Employee or Former HSN Employee has breached any such covenant, HSN shall provide IAC in writing with the name and address of such

employee or former employee and a description of the breach that such employee or former employee is believed to have committed. Notwithstanding the foregoing or anything in any agreement evidencing the terms of any IAC Options and IAC Awards or otherwise to the contrary, it shall not be a violation of any IAC non-competition or non-solicitation of clients or customers covenant for an HSN Employee to engage in acts on behalf of HSN or an HSN Entity that are otherwise prohibited by the terms of such non-competition or non-solicitation of clients or customers covenants and it shall not be a violation of any HSN non-competition or non-solicitation of clients or customers covenant for an IAC Employee to engage in acts on behalf of IAC or an IAC Entity that are otherwise prohibited by the terms of such non-competition or non-solicitation of clients or customers covenants. In addition, following the Effective Time, the restrictive covenants (including, without limitation, any proprietary rights agreements or confidential information covenants) to which any HSN Employee or Former HSN Employee are party shall run in favor of HSN (and, to the extent relating to IAC, shall run in favor of IAC to the same extent that they ran in favor of IAC immediately prior to the Effective Time; provided, that the Effective Time shall be treated as a termination of employment from IAC for purposes of the duration of IAC's ability to enforce the restrictive covenant) and the restrictive covenants to which any IAC Employee or Former IAC Employee are party shall run in favor of IAC. Any employment agreement between IAC and an HSN Employee or Former HSN Employee shall as of the Effective Time be assigned by IAC to HSN and assumed by HSN.

(iv) Following the Distribution Date, Tree shall use commercially reasonable efforts to monitor the Tree Employees and Former Tree Employees to determine whether any such Tree Employees or Former Tree Employees have breached any of the restrictive covenants in the agreements evidencing the terms of their IAC Options and IAC Awards. As soon as practicable following Tree's reasonable belief that a Tree Employee or Former Tree Employee has breached any such covenant, Tree shall provide IAC in writing with the name and address of such

employee or former employee and the name and a description of the breach that such employee or former employee is believed to have committed. Notwithstanding the foregoing or anything in any agreement evidencing the terms of any IAC Options and IAC Awards or otherwise to the contrary, it shall not be a violation of any IAC non-competition or non-solicitation of clients or customers covenant for a Tree Employee to engage in acts on behalf of Tree or a Tree Entity that are otherwise prohibited by the terms of such non-competition or non-solicitation of clients or customers covenants and it shall not be a violation of any Tree non-competition or non-solicitation of clients or customers covenant for an IAC Employee to engage in acts on behalf of IAC or an IAC Entity that are otherwise prohibited by the terms of such non-competition or non-solicitation of clients or customers covenants. In addition, following the Effective Time, the restrictive covenants (including, without limitation, any proprietary rights agreements or confidential information covenants) to which any Tree Employee or Former Tree Employee are party shall run in favor of Tree (and, to the extent relating to IAC, shall run in favor of IAC to the same extent that they ran in favor of IAC immediately prior to the Effective Time; provided, that the Effective Time shall be treated as a termination of employment from IAC for purposes of the duration of IAC's ability to enforce the restrictive covenant) and the restrictive covenants to which any IAC Employee or Former IAC Employee are party shall run in favor of IAC. Any employment agreement between IAC and a Tree Employee or Former Tree Employee shall as of the Effective Time be assigned by IAC to Tree and assumed by Tree.

#### 5.4 Registration Requirements.

(a) TM agrees that it shall maintain on a continuous basis an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act") (and maintain the prospectus contained therein for its intended use) with respect to the shares of TM Common Stock authorized for issuance under the TM Long-Term Incentive Plan.

(b) Interval agrees that it shall maintain on a continuous basis an effective registration statement under the Securities Act (and maintain the prospectus contained therein for its intended use) with respect to the shares of Interval Common Stock authorized for issuance under the Interval Long-Term Incentive Plan.

(c) HSN agrees that it shall maintain on a continuous basis an effective registration statement under the Securities Act (and maintain the prospectus contained therein for its intended use) with respect to the shares of HSN Common Stock authorized for issuance under the HSN Long-Term Incentive Plan.

(d) Tree agrees that it shall maintain on a continuous basis an effective registration statement under the Securities Act (and maintain the prospectus contained therein for its intended use) with respect to the shares of Tree Common Stock authorized for issuance under the Tree Long-Term Incentive Plan.

(e) IAC agrees that, following the Distribution Date, it shall use reasonable efforts to continue to maintain a Form S-8 Registration Statement with respect to and cause to be registered pursuant to the Securities Act of 1933, as amended, the shares of IAC Common Stock authorized for issuance under the IAC Long-Term Incentive Plans as required pursuant to such Act and any applicable rules or regulations thereunder.

#### 5.5 Executive Deferred Compensation Plans.

(a) As soon as reasonably practicable following the Distribution Date, but in no event later than December 31, 2008, TM shall establish a deferred compensation plan (the "TM Deferred Compensation Plan") and a related rabbi trust (the "TM Rabbi Trust"), each of which is substantially identical to the IAC/InterActiveCorp Executive Deferred Compensation Plan then in effect ("IAC Deferred Compensation Plan") and the related rabbi trust for the IAC Deferred Compensation Plan then in effect (the "IAC Rabbi Trust"), to provide benefits to TM Employees and Former TM Employees from and after the Distribution Date who were participants in the IAC Deferred Compensation Plan as of immediately prior to the Distribution Date ("TM Participants"). All benefits under the IAC Deferred Compensation Plan with respect to TM Participants shall be assumed by TM and paid under the TM Deferred Compensation Plan. As soon as reasonably practicable following the Distribution Date, but in no event later than December 31, 2008, IAC shall cause the trustee of the IAC Rabbi Trust to transfer an amount of assets from the IAC Rabbi Trust to the TM Rabbi Trust equal to the account balances of TM Participants as of the date of such transfer to fund the benefits of TM Participants under the TM Deferred Compensation Plan.



(b) Effective as of the Distribution Date, each Interval Employee and Former Interval Employee shall be deemed to have elected to receive a lump sum distribution of his or her accrued benefits under the IAC Deferred Compensation Plan in 2009 and shall be paid such benefits by IAC in 2009 in accordance with the terms of such plans.

(c) As soon as reasonably practicable following the Distribution Date, but in no event later than December 31, 2008, HSN shall establish a deferred compensation plan (the "HSN Deferred Compensation Plan") that is substantially identical to the IAC Deferred Compensation Plan to provide benefits to HSN Employees from and after the Distribution Date who were participants in the IAC Deferred Compensation Plan as of immediately prior to the Distribution Date and had made effective elections to defer compensation earned in 2008 ("Active HSN Participants"). Each Active HSN Participant and each other HSN Employee and Former HSN Employee shall be deemed to have elected to receive a lump sum distribution of his or her accrued benefits under the IAC Deferred Compensation Plan and HSN Deferred Compensation Plan in 2009 and shall be paid such benefits in 2009 in accordance with the terms of such plans. IAC shall be liable for any benefits accrued under the IAC Deferred Compensation Plan by any Active HSN Participant, other HSN Employee and Former HSN Employee prior to the Distribution Date and HSN shall be liable for any benefits accrued by Active HSN Participants after the Distribution Date. No portion of the IAC Rabbi Trust shall be transferred to HSN or any rabbi trust established by HSN or shall be used to pay the benefits of Active HSN Participants accrued after the Distribution Date.

(d) As soon as reasonably practicable following the Distribution Date, but in no event later than December 31, 2008, Tree shall establish a deferred compensation plan (the "Tree Deferred Compensation Plan") and a related rabbi trust (the "Tree Rabbi Trust") (each of which is substantially identical to the IAC Deferred Compensation Plan and IAC Rabbi Trust) to provide benefits to Tree Employees and Former Tree Employees from and after the Distribution Date who were participants in the IAC Deferred Compensation Plan as of immediately prior to the Distribution Date ("Tree Participants"). All benefits under the IAC Deferred Compensation Plan with respect to Tree Participants shall be assumed by Tree and paid under the Tree Deferred Compensation Plan. As soon as reasonably practicable following the Distribution Date, but in no event later than December 31, 2008, IAC shall cause the trustee of the IAC Rabbi Trust to transfer an amount of assets

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from the IAC Rabbi Trust to the Tree Rabbi Trust equal to the account balances of Tree Participants as of the date of such transfer to fund the benefits of Tree Participants under the Tree Deferred Compensation Plan.

#### 5.6 Severance.

(a) A TM Employee shall not be deemed to have terminated employment for purposes of determining eligibility for severance benefits in connection with or in anticipation of the consummation of the transactions contemplated by the Separation Agreement. TM shall be solely responsible for all Liabilities in respect of all costs arising out of payments and benefits relating to the termination or alleged termination of any TM Employee or Former TM Employee's employment that occurs prior to, as a result of, in connection with or following the consummation of the transactions contemplated by the Separation Agreement, including any amounts required to be paid (including any payroll or other taxes), and the costs of providing benefits, under any applicable severance, separation, redundancy, termination or similar plan, program, practice, contract, agreement, law or regulation (such benefits to include any medical or other welfare benefits, outplacement benefits, accrued vacation, and taxes).

(b) An Interval Employee shall not be deemed to have terminated employment for purposes of determining eligibility for severance benefits in connection with or in anticipation of the consummation of the transactions contemplated by the Separation Agreement. Interval shall be solely responsible for all Liabilities in respect of all costs arising out of payments and benefits relating to the termination or alleged termination of any Interval Employee or Former Interval Employee's employment that occurs prior to, as a result of, in connection with or following the consummation of the transactions contemplated by the Separation Agreement, including any amounts required to be paid (including any payroll or other taxes), and the costs of providing benefits, under any applicable severance, separation, redundancy, termination or similar plan, program, practice, contract, agreement, law or regulation (such benefits to include any medical or other welfare benefits, outplacement benefits, accrued vacation, and taxes).

(c) An HSN Employee shall not be deemed to have terminated employment for purposes of determining eligibility for severance benefits in connection with or in anticipation of the consummation of the transactions contemplated by the Separation Agreement. HSN shall be solely responsible for all Liabilities in respect of all costs arising out of payments and benefits relating to the termination or alleged termination of any HSN Employee or Former HSN Employee's employment that occurs prior to, as a result of, in connection with or following the consummation of the transactions contemplated by the Separation Agreement, including any amounts required to be paid (including any payroll or other taxes), and the costs of providing benefits, under any applicable severance, separation, redundancy, termination or similar plan, program, practice, contract, agreement, law or regulation (such benefits to include any medical or other welfare benefits, outplacement benefits, accrued vacation, and taxes).

(d) A Tree Employee shall not be deemed to have terminated employment for purposes of determining eligibility for severance benefits in connection with or in anticipation of the consummation of the transactions contemplated by the Separation Agreement. Tree shall be solely responsible for all Liabilities in respect of all costs arising out of payments and benefits relating to the termination or alleged termination of any Tree Employee or Former Tree Employee's employment that occurs prior to, as a result of, in connection with or following the consummation of the transactions contemplated by the Separation Agreement, including any amounts required to be paid (including any payroll or

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other taxes), and the costs of providing benefits, under any applicable severance, separation, redundancy, termination or similar plan, program, practice, contract, agreement, law or regulation (such benefits to include any medical or other welfare benefits, outplacement benefits, accrued vacation, and taxes).

## ARTICLE VI GENERAL AND ADMINISTRATIVE

6.1 Sharing of Participant Information. IAC and each of the SpinCos shall share with one another, and IAC shall cause each other IAC Entity to share, TM shall cause each other TM Entity to share, Interval shall cause each other Interval Entity to share, HSN shall cause each other HSN Entity to share and Tree shall cause each other Tree Entity to share with one another and their respective agents and vendors (without obtaining releases) all participant information necessary for the efficient and accurate administration of each of the IAC Benefit Plans, the TM Benefit Plans, the Interval Benefit Plans, the

HSN Benefit Plans and the Tree Benefit Plans. IAC, TM, Interval, HSN, Tree and their respective authorized agents shall, subject to applicable laws, be given reasonable and timely access to, and may make copies of, all information relating to the subjects of this Agreement in the custody of such other Party, to the extent necessary for such administration. Until December 31, 2008, all participant information shall be provided in the manner and medium applicable to Participating Companies in IAC Benefit Plans generally, and thereafter until December 31, 2009, all participant information shall be provided in a manner and medium as may be agreed to by IAC, TM, Interval, HSN and/or Tree, as applicable.

6.2 Reasonable Efforts/Cooperation. Each of the Parties hereto will use its commercially reasonable efforts to promptly take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the transactions contemplated by this Agreement. Each of the Parties hereto shall cooperate fully on any issue relating to the transactions contemplated by this Agreement for which the other Party seeks a determination letter or private letter ruling from the Internal Revenue Service, an advisory opinion from the Department of Labor or any other filing (including, but not limited to, securities filings (remedial or otherwise)), consent or approval with respect to or by a governmental agency or authority in any jurisdiction in the United States or abroad.

6.3 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and is not intended to confer upon any other Persons any rights or remedies hereunder. Except as expressly provided in this Agreement, nothing in this Agreement shall preclude IAC or any other IAC Entity, at any time after the Close of the Distribution Date, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any IAC Benefit Plan, any benefit under any Benefit Plan or any trust, insurance policy or funding vehicle related to any IAC Benefit Plan. Except as expressly provided in this Agreement, nothing in this Agreement shall preclude TM or any other TM Entity, at any time after the Close of the

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Distribution Date, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any TM Benefit Plan, any benefit under any Benefit Plan or any trust, insurance policy or funding vehicle related to any TM Benefit Plan. Except as expressly provided in this Agreement, nothing in this Agreement shall preclude Interval or any other Interval Entity, at any time after the Close of the Distribution Date, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any Interval Benefit Plan, any benefit under any Benefit Plan or any trust, insurance policy or funding vehicle related to any Interval Benefit Plan. Except as expressly provided in this Agreement, nothing in this Agreement shall preclude HSN or any other HSN Entity, at any time after the Close of the Distribution Date, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any HSN Benefit Plan, any benefit under any Benefit Plan or any trust, insurance policy or funding vehicle related to any HSN Benefit Plan. Except as expressly provided in this Agreement, nothing in this Agreement shall preclude Tree or any other Tree Entity, at any time after the Close of the Distribution Date, from amending, merging, modifying, terminating, eliminating, reducing, or otherwise altering in any respect any Tree Benefit Plan, any benefit under any Benefit Plan or any trust, insurance policy or funding vehicle related to any Tree Benefit Plan.

6.4 Audit Rights With Respect to Information Provided.

(a) Each Party, and its duly authorized representatives, shall have the right to conduct reasonable audits with respect to all information required to be provided to it by any other Party under this Agreement.

(b) The Party conducting an audit pursuant to this Section 6.4 (the "Auditing Party") may adopt reasonable procedures and guidelines for conducting audits and the selection of audit representatives under this Section 6.4. The Auditing Party shall have the right to make copies of any records at its expense, subject to any restrictions imposed by applicable laws and to any confidentiality provisions set forth in the Separation Agreement, which are incorporated by reference herein. The Party being audited shall provide the Auditing Party's representatives with reasonable access during normal business hours to its operations, computer systems and paper and electronic files, and provide workspace to its representatives. After any audit is completed, the Party being audited shall have the right to review a draft of the audit findings and to comment on those findings in writing within thirty business days after receiving such draft.

(c) The Auditing Party's audit rights under this Section 6.4 shall include the right to audit, or participate in an audit facilitated by the Party being audited, of any Subsidiaries and Affiliates of the Party being audited and to require the other Party to request any benefit providers and third parties with whom the Party being audited has a relationship, or agents of such Party, to agree to such an audit to the extent any such Persons are affected by or addressed in this Agreement (collectively, the "Non-parties"). The Party being audited shall, upon written request from the Auditing Party, provide an individual (at the Auditing Party's expense) to supervise any audit of a Non-party. The Auditing Party shall be responsible for supplying, at the Auditing Party's expense, additional personnel sufficient to complete the audit in a reasonably timely manner. The responsibility of the Party being audited shall be limited to providing, at the Auditing Party's expense, a single individual at each audited site for purposes of facilitating the audit.

6.5 Fiduciary Matters. It is acknowledged that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable law, and no Party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination that to do so would violate such a fiduciary duty or standard. Each Party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other Party for any Liabilities caused by the failure to satisfy any such responsibility.

6.6 Consent of Third Parties. If any provision of this Agreement is dependent on the consent of any third party (such as a vendor) and such consent is withheld, the Parties hereto shall use commercially reasonable efforts to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be

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implemented due to the failure of such third party to consent, the Parties hereto shall negotiate in good faith to implement the provision in a mutually satisfactory manner. The phrase "commercially reasonable efforts" as used herein shall not be construed to require any Party to incur any non-routine or unreasonable expense or Liability or to waive any right.

7.1 Effect If Effective Time Does Not Occur. If the Separation Agreement is terminated prior to the Distribution Date, then this Agreement shall terminate and all actions and events that are, under this Agreement, to be taken or occur effective immediately prior to or as of the Close of the Distribution Date, or Immediately after the Distribution Date, or otherwise in connection with the Separation Transactions, shall not be taken or occur except to the extent specifically agreed by the Parties.

7.2 Relationship of Parties. Nothing in this Agreement shall be deemed or construed by the Parties or any third party as creating the relationship of principal and agent, partnership or joint venture between the Parties, it being understood and agreed that no provision contained herein, and no act of the Parties, shall be deemed to create any relationship between the Parties other than the relationship set forth herein.

7.3 Affiliates. Each of IAC, TM, Interval, HSN and Tree shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by another IAC Entity, TM Entity, Interval Entity, HSN Entity or Tree Entity, respectively.

7.4 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed given to a Party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses and facsimile numbers and marked to the attention of the person (by name or title) designated below (or to such other address, facsimile number or person as a Party may designate by notice to the other Parties):

(a) if to IAC:

IAC/InterActiveCorp  
555 West 18<sup>th</sup> Street  
New York, NY 10011  
Attention: General Counsel  
Facsimile No.: (212) 314-7379

(b) if to TM:

Ticketmaster  
8800 West Sunset Blvd  
West Hollywood, CA 90069  
Attention: General Counsel  
Facsimile No.: (310) 360-3373

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(c) if to Interval:

Interval Leisure Group, Inc.  
6262 Sunset Drive  
Miami, FL 33143  
Attention: General Counsel  
Facsimile No.: (305) 667-2072

(d) if to HSN:

HSN, Inc.  
1 HSN Drive  
St. Petersburg, FL 33729  
Attention: General Counsel  
Facsimile No.: (727) 872-6866

(e) if to Tree:

Tree.com, Inc.  
11115 Rushmore Drive  
Charlotte, NC 28277  
Attention: General Counsel  
Facsimile No.: (949) 255-5139

7.5 Abandonment. IAC may in its sole discretion abandon one or more of the Distributions (as defined in the Separation Agreement) prior to the Distribution Date, and, by notice to the other SpinCos, shall have the right to terminate this Agreement to the extent of the rights and obligations provided between the SpinCo(s) the Distribution of which shall have been abandoned, on the one hand, and the other SpinCos and IAC, on the other hand. In the event that one or more of the Distributions (as defined in the Separation Agreement) shall not be effected on the Distribution Date, (a) any provisions contained in this Agreement regarding the rights or obligations of a SpinCo the Distribution of which shall have been abandoned shall have no effect, (b) such SpinCo shall continue to be treated as a member of the IAC Group (as defined in the Separation Agreement) and (c) such SpinCo's SpinCo Employees and Former SpinCo Employees shall be treated as IAC Employees and Former IAC Employees, respectively, for purposes of this Agreement.

7.6 Incorporation of Separation Agreement Provisions. The following provisions of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein *mutatis mutandis* (references in this Section 7.6 to an "Article" or "Section" shall mean Articles or Sections of the Separation Agreement, and references in the material incorporated herein by reference shall be references to the Separation Agreement): Article VI (relating to Mutual Releases; Indemnification); Article VIII (relating to Exchange of

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the Parties have caused this Employee Matters Agreement to be duly executed as of the day and year first above written.

IAC/INTERACTIVECORP

By: /s/ Gregory Blatt

Name: Gregory R. Blatt

Title: Executive Vice President

TICKETMASTER

By: /s/ Joanne Hawkins

Name: Joanne Hawkins

Title: Vice President and Assistant Secretary

INTERVAL LEISURE GROUP, INC.

By: /s/ Joanne Hawkins

Name: Joanne Hawkins

Title: Vice President and Assistant Secretary

HSN, INC.

By: /s/ Tanya Stanich

Name: Tanya Stanich

Title: Vice President and Assistant Secretary

TREE.COM, INC.

By: /s/ Tanya Stanich

Name: Tanya Stanich

Title: Vice President and Assistant Secretary

[Signature Page to Employee Matters Agreement]

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**TRANSITION SERVICES AGREEMENT**

by and among

**IAC/INTERACTIVECORP,**

**HSN, INC.,**

**INTERVAL LEISURE GROUP, INC.**

**TICKETMASTER**

and

**TREE.COM, INC.**

**TRANSITION SERVICES AGREEMENT**

This TRANSITION SERVICES AGREEMENT, dated as of August 20, 2008 (this “Services Agreement”), is entered into by and among IAC/InterActiveCorp, a Delaware corporation (“IAC” or “New IAC”), HSN, Inc., a Delaware corporation and wholly owned subsidiary of IAC (“HSNSpinco” or “HSN”), Interval Leisure Group, Inc., a Delaware corporation and wholly owned subsidiary of IAC (“Interval Spinco” or “Interval”), Ticketmaster, a Delaware corporation and wholly owned subsidiary of IAC (“TMSpinco” or “TM”), and Tree.com, Inc., a Delaware corporation and wholly owned subsidiary of IAC (“Tree Spinco” or “LT” and, together with HSNSpinco, Interval Spinco and TMSpinco, the “Spincos” and, the Spinco together with IAC, the “Parties” and each a “Party”).

WHEREAS, the Board of Directors of IAC has determined it is appropriate and desirable to separate IAC and the Spinco into five publicly-traded companies all as set forth in that certain Separation and Distribution Agreement, dated as of even date herewith, by and among the Parties (the “Separation Agreement”);

WHEREAS, IAC and the Spinco expect to enter into the Separation Agreement on the date hereof, which sets forth, among other things, the assets, liabilities, rights and obligations of each of the Parties for purposes of effecting the separation of IAC and the Spinco; and

WHEREAS, in connection with such separation, (a) each of the Spinco desires to procure certain services from IAC and/or one or more of the other Spinco, and IAC and such other Spinco each are willing to provide such services, during a transition period commencing on the applicable Effective Date (as defined in Section 7.01), on the terms and conditions set forth in this Services Agreement; and (b) IAC desires to procure certain services from the Spinco, and each of the Spinco is willing to provide such services to IAC, during a transition period commencing on the applicable Effective Date, on the terms and conditions set forth in this Services Agreement.

NOW THEREFORE, in consideration of the mutual agreements, covenants and other provisions set forth in this Services Agreement, the Parties hereby agree as follows:

**ARTICLE I**

Definitions

1.01. All terms used herein and not defined herein shall have the meanings assigned to them in the Separation Agreement.

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**ARTICLE II**

Agreement To Provide and Accept Services

2.01. Provision of Services.

(a) On the terms and subject to the conditions contained herein, IAC agrees with each Spinco, as applicable, that it shall provide, or shall cause its Subsidiaries and Affiliates and their respective employees designated by IAC (such designated Subsidiaries, Affiliates and employees, together with IAC, being herein collectively referred to as the “IAC Service Providers”) to provide, to such Spinco the services (“IAC Services”) listed on the Schedule of Services attached hereto (the “Services Schedule”) as being performed by IAC or a member of its Corresponding Group identified in the column of the Services Schedule titled “Spin Party” and being received by such Spinco. Subject to Section 3.01, any decisions as to which of the IAC Service Providers (including the decisions to use third parties) shall provide the IAC Services shall be made by IAC in its sole discretion, except to the extent specified in the Services Schedule. Each IAC Service shall be provided in exchange for the consideration set forth with respect to such IAC Service on the Services Schedule or as IAC and such Spinco may otherwise agree in writing. Each IAC Service shall be provided and accepted in accordance with the terms, limitations and conditions set forth herein and on the Services Schedule.

(b) On the terms and subject to the conditions contained herein, TMSpinco agrees with each other Spinco and IAC, as applicable, that it shall provide, or shall cause its Subsidiaries and Affiliates and their respective employees designated by it (such designated Subsidiaries, Affiliates and employees, together with TMSpinco, being herein collectively referred to as the “Ticketmaster Service Providers”) to provide, to such other Spinco or IAC, as applicable, the services (“Ticketmaster Services”) listed on the Services Schedule as being performed by TM or a or a member of its Corresponding Group identified in

the column of the Services Schedule titled “Spin Party” and being received by such other Spinco or IAC, as applicable. Subject to Section 3.01, any decisions as to which of the Ticketmaster Service Providers (including the decisions to use third parties) shall provide the Ticketmaster Services shall be made by TMSpinco in its sole discretion, except to the extent specified in the Services Schedule. Each Ticketmaster Service shall be provided in exchange for the consideration set forth with respect to such Service on the Services Schedule or as TMSpinco and the applicable recipient of the Ticketmaster Services may otherwise agree in writing. Each Ticketmaster Service shall be provided and accepted in accordance with the terms, limitations and conditions set forth herein and on the Services Schedule.

(c) On the terms and subject to the conditions contained herein, HSNSpinco agrees with each other Spinco and IAC, as applicable, that it shall provide, or shall cause its Subsidiaries and Affiliates and their respective employees designated by it (such designated Subsidiaries, Affiliates and employees, together with HSNSpinco, being herein collectively referred to as the “HSN Service Providers”) to provide, to such other Spinco or IAC, as applicable, the services (“HSN Services”) listed on the Services Schedule as being performed by HSN or a member of its Corresponding Group identified in the column of the Services Schedule titled “Spin Party” and being received by such other Spinco or IAC, as applicable. Subject to

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Section 3.01, any decisions as to which of the HSN Service Providers (including the decisions to use third parties) shall provide the HSN Services shall be made by HSNSpinco in its sole discretion, except to the extent specified in the Services Schedule. Each HSN Service shall be provided in exchange for the consideration set forth with respect to such Service on the Services Schedule or as HSNSpinco and the applicable recipient of the HSN Services may otherwise agree in writing. Each HSN Service shall be provided and accepted in accordance with the terms, limitations and conditions set forth herein and on the Services Schedule.

(d) On the terms and subject to the conditions contained herein, Interval Spinco agrees with each other Spinco and IAC, as applicable, that it shall provide, or shall cause its Subsidiaries and Affiliates and their respective employees designated by it (such designated Subsidiaries, Affiliates and employees, together with Interval Spinco, being herein collectively referred to as the “Interval Service Providers”) to provide, to such other Spinco or IAC, as applicable, the services (“Interval Services”) listed on the attached Services Schedule as being performed by Interval or a member of its Corresponding Group identified in the column of the Services Schedule titled “Spin Party” and being received by such other Spinco or IAC, as applicable. Subject to Section 3.01, any decisions as to which of the Interval Service Providers (including the decisions to use third parties) shall provide the Interval Services shall be made by Interval Spinco in its sole discretion, except to the extent specified in the Services Schedule. Each Interval Service shall be provided in exchange for the consideration set forth with respect to such Service on the Services Schedule or as Interval Spinco and the applicable recipient of the Interval Services may otherwise agree in writing. Each Interval Service shall be provided and accepted in accordance with the terms, limitations and conditions set forth herein and on the Services Schedule.

(e) On the terms and subject to the conditions contained herein, Tree Spinco agrees with each other Spinco and IAC, as applicable, that it shall provide, or shall cause its Subsidiaries and Affiliates and their respective employees designated by it (such designated Subsidiaries, Affiliates and employees, together with Tree Spinco, being herein collectively referred to as the “Tree Service Providers” and together with the IAC Service Providers, the Ticketmaster Service Providers, the HSN Service Providers and the Interval Service Providers, being herein collectively referred to as the “Service Providers”) to provide, to such other Spinco or IAC, as applicable, the services (“Tree Services” and together with the IAC Services, the Ticketmaster Services, the HSN Services and the Interval Services, being herein collectively referred to as the “Services”) listed on the Services Schedule as being performed by LT or a member of its Corresponding Group identified in the column of the Services Schedule titled “Spin Party” and being received by such other Spinco or IAC, as applicable. Subject to Section 3.01, any decisions as to which of the Tree Service Providers (including the decisions to use third parties) shall provide the Tree Services shall be made by Tree Spinco in its sole discretion, except to the extent specified in the Services Schedule. Each Tree Service shall be provided in exchange for the consideration set forth with respect to such Service on the Services Schedule or as Tree Spinco and the applicable recipient of the Tree Services may otherwise agree in writing. Each Tree Service shall be provided and accepted in accordance with the terms, limitations and conditions set forth herein and on the Services Schedule.

(f) As used in this Services Agreement, the term “Receiving Party” shall mean the

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Party receiving (or the Party another member of whose Corresponding Group is receiving) the applicable Services from a Service Provider.

2.02. Books and Records; Availability of Information. Each Party shall create and maintain accurate books and records in connection with the provision of the Services performed or caused to be performed by it and, upon reasonable notice from a Receiving Party, shall make available for inspection and copying by such Receiving Party’s agents such books and records to the extent relating to the Services provided to such Receiving Party hereunder during reasonable business hours with such inspection occurring no more than one (1) time during the term in which the Service Provider has provided the applicable Service to the Receiving Party. Moreover, such inspection shall be conducted by the Receive Party or its agents in a manner that will not unreasonably interfere with the normal business operations of the Service Provider. Each Receiving Party shall make available on a timely basis to the Service Providers all information and materials reasonably requested by such Service Providers to enable them to provide the applicable Services. Each Receiving Party shall provide to the Service Providers reasonable access to such Receiving Party’s premises to the extent necessary for the purpose of providing the applicable Services.

### ARTICLE III

#### Services; Payment; Independent Contractors

3.01. Services To Be Provided. (a) Unless otherwise agreed between the applicable Party providing Services hereunder and the Receiving Party (including to the extent specified in the applicable entry on the Services Schedule), (i) the Service Providers shall be required to perform the Services only in a manner, scope, nature and quality as provided by or within IAC that is similar in all material respects to the manner in which such Services were performed immediately prior to the applicable Effective Date, and (ii) the Services shall be used for substantially the same purposes and in substantially the same manner (including as to volume, amount, level or frequency, as applicable) as the Services have been used immediately prior to the applicable Effective Date; provided, however, that the applicable entry on the Services Schedule shall control the scope of the Service to be performed (to the extent provided therein), unless otherwise agreed in writing. Each Party and the Service Providers shall act under this Services Agreement solely as an independent contractor

and not as an agent or employee of any other Party or any of such Party's Affiliates. As an independent contractor, all overhead and personnel necessary to the Services required of the Service Providers hereunder shall be the Service Provider's sole responsibility and shall be at the Service Provider's sole cost and expense. No Service Provider shall have the authority to bind the Receiving Party by contract or otherwise.

(b) The provision of Services by the Service Providers shall be subject to Article V hereof.

(c) Each Party agrees with each other Party providing Services to it hereunder to use its reasonable efforts to reduce or eliminate its dependency on such Services as soon as is

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reasonably practicable; provided that a breach of this Section 3.01(c) shall not affect a Service Provider's obligation to provide any Service through the term applicable to such Service.

3.02. Each Receiving Party and Party providing Services to it hereunder will use good-faith efforts to reasonably cooperate with each other in all matters relating to the provision and receipt of Services. Such cooperation shall include obtaining all consents, licenses or approvals necessary to permit each such Party to perform its obligations to such Receiving Party hereunder; provided, however, under no circumstances shall any Service Provider be required to make any payments to any third party in respect of any such consents, licenses or approvals nor shall any Service Provider be required to make any alternative arrangements in the event that any such consents, licenses or approvals are not obtained.

3.03. Additional Services.

(a) From time to time during the term applicable to any Service being provided by a Service Provider, each Party may request any of the other Parties (i) to provide additional or different services which such other Party is not expressly obligated to provide under this Services Agreement if such services are of the type and scope provided by such providing Party within IAC during fiscal year 2008 or (ii) expand the scope of any Service (such additional or expanded services, the "Additional Services"). The Party receiving such request shall consider such request in good faith and shall use commercially reasonable efforts to provide such Additional Service; provided, no Party shall be obligated to provide any Additional Services if it does not, in its reasonable judgment, have adequate resources to provide such Additional Services or if the provision of such Additional Services would interfere with the operation of its business. The Party receiving the request for Additional Services shall notify the requesting Party within fifteen (15) days as to whether it will or will not provide the Additional Services.

(b) If a Party agrees to provide Additional Services pursuant to Section 3.03(a), then a representative of each applicable Party shall in good faith negotiate the terms of a supplement to the Services Schedule which will describe in detail the service, project scope, term, price and payment terms to be charged for the Additional Services. Once agreed to in writing, the supplement to the Services Schedule shall be deemed part of this Services Agreement as of such date and the Additional Services shall be deemed "Services" provided by such Service Provider to such Receiving Party hereunder, in each case subject to the terms and conditions of this Agreement.

3.04. Payments. Except as set forth on the Services Schedule, statements will be delivered to each applicable Receiving Party within fifteen (15) days after the end of each month by the Service Providers designated by each providing Party for Services provided by such Service Provider to the Receiving Party during the preceding month, and each such statement shall set forth a brief description of such Services, the amounts charged therefor, and, except as the applicable providing Party and Receiving Party may agree or as set forth on the Services Schedule, such amounts shall be due and payable by the Receiving Party within thirty (30) days after the date of such statement. Statements not paid within such 30-day period shall be subject to late charges, calculated at an interest rate per annum equal to the Prime Rate plus 2% (or the maximum legal rate, whichever is lower), and calculated for the actual number of days elapsed,

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accrued from the date on which such payment was due up to the date of the actual receipt of payment. Payments shall be made by wire transfer to an account designated in writing from time to time by the applicable Service Provider.

3.05. Disclaimer of Warranty. EXCEPT AS EXPRESSLY SET FORTH IN THIS SERVICES AGREEMENT, THE SERVICES TO BE PURCHASED UNDER THIS SERVICES AGREEMENT ARE FURNISHED AS IS, WHERE IS, WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. In the event that the provision of any Service for the account of a Receiving Party by a Service Provider conflicts with such Service Provider's provision of such Service for its own account or the account of other Receiving Parties, priority for the provision of such Service shall be allocated in an equitable manner on an aggregate basis, and in a manner consistent with the Receiving Party's level of use of such Service during fiscal year 2008 up to the applicable Effective Date (or as described in the applicable entry on the Services Schedule).

3.06. Taxes. In the event that any Tax is properly chargeable on the provision of the Services as indicated in the applicable entry on the Services Schedule, the Receiving Party shall be responsible for and shall pay to the applicable Service Provider the amount of any such Tax in addition to and at the same time as the applicable Service fees. All Service fees and other consideration will be paid free and clear of and without withholding or deduction for or on account of any Tax, except as may be required by law.

3.07. Use of Services. Each party, in its capacity as a Receiving Party agrees with each applicable providing Party that it shall not, and shall cause its Affiliates not to, resell any Services to any person whatsoever or permit the use of the Services by any person other than in connection with the conduct of such Receiving Party's operations as conducted immediately prior to the applicable Effective Date.

## ARTICLE IV

### Term of Services

4.01. Subject to Section 7.01, the provision of each Service shall commence on the date hereof and shall terminate no later than twelve (12) months after the date hereof or as of the date indicated for each such Service in the applicable entry on the Services Schedule; provided, however, that subject to the applicable entry on the Services Schedule, any Service may be cancelled or reduced in amount or any portion thereof by the Receiving Party upon ninety (90) days written notice thereof (or such other notice period if one is set forth for such Service in the applicable entry on the Services Schedule) to the applicable Service Provider subject to the requirement that such Receiving Party pay to the applicable Service Provider the actual out-of-pocket costs incurred by such Service Provider, as well as the actual incremental internal costs incurred by such Service Provider, in each case directly resulting from such cancellation (including employee severance and other termination costs), which out-of-pocket and internal costs shall be set forth in a written statement provided by such Service Provider to the Receiving

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Party; provided, further, that such costs shall not exceed amounts payable hereunder in respect of the applicable Service for the ninety (90) days prior to such termination. The forgoing notwithstanding and subject to Section 7.02, (i) a Service Provider may immediately terminate any individual Service provided to a Receiving Party in the event that the Receiving Party fails to make payments for such Service under Section 3.02 and has not cured such failure within thirty (30) days of written notice of such failure from the applicable Service Provider, and (ii) upon ninety (90) days written notice, the Service Provider may terminate any Service provided to a Receiving Party at such time as the Service Provider no longer provides the same Service to itself for its own account.

4.02. In the event a Receiving Party requests an extension of the term applicable to the provision of Services, such request shall be considered in good faith by the applicable Service Provider. Any terms, conditions or costs or fees to be paid by the Receiving Party for Services provided during an extended term will be on terms mutually acceptable to such Service Provider and Receiving Party. For the avoidance of doubt, under no circumstances shall a Service Provider be required to extend the term of provision of any Service if (i) the Service Provider does not, in its reasonable judgment, have adequate resources to continue providing such Services, (ii) the extension of the term would interfere with the operation of the Service Provider's business or (iii) the extension would require capital expenditure on the part of the Service Provider or otherwise require the Service Provider to renew or extend any Contract with any third party.

## ARTICLE V

### Force Majeure

5.01. The Service Providers shall not be liable for any expense, loss or damage whatsoever arising out of any interruption of Service or delay or failure to perform under this Services Agreement that is due to acts of God, acts of a public enemy, acts of terrorism, acts of a nation or any state, territory, province or other political division thereof, changes in applicable law, fires, hurricanes, floods, epidemics, riots, theft, quarantine restrictions, freight embargoes or other similar causes beyond the reasonable control of the Service Providers. In any such event, the applicable Service Provider's obligations hereunder shall be postponed for such time as its performance is suspended or delayed on account thereof. Each Service Provider will promptly notify the recipient of the Service, either orally or in writing, upon learning of the occurrence of such event of force majeure. Upon the cessation of the force majeure event, such Service Provider will use commercially reasonable efforts to resume, or to cause any other relevant Service Provider to resume, its performance with the least practicable delay (provided that, at the election of the applicable Receiving Party, the applicable term for such suspended Service shall be extended by the length of the force majeure event).

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## ARTICLE VI

### Liabilities

6.01. Consequential and Other Damages. None of the Service Providers shall be liable to any Receiving Party with respect to this Services Agreement, whether in contract, tort (including negligence and strict liability) or otherwise, for any special, indirect, incidental or consequential damages whatsoever (except, in each case, to the extent any amount is paid to third parties by such Receiving Party or its Affiliates) which in any way arise out of, relate to or are a consequence of, the performance or nonperformance by it hereunder or the provision of, or failure to provide, any Service hereunder, including with respect to loss of profits, business interruptions or claims of customers.

6.02. Limitation of Liability. Subject to Section 6.03 hereof, the liability of any Service Provider with respect to this Services Agreement to any Receiving Party or in respect of any Services provided to such Receiving Party or any act or failure to act in connection herewith (including, but not limited to, the performance or breach hereof), or from the sale, delivery, provision or use of any Service provided under or covered by this Services Agreement, whether in contract, tort (including negligence and strict liability) or otherwise, shall be limited to actions or omissions resulting from intentional breach of this Services Agreement or gross negligence, and, in any event, such liability shall not exceed the fees previously paid to such Service Provider by such Receiving Party during the term of the applicable Service giving rise thereto.

6.03. Obligation to Re-perform. In the event of any breach of this Services Agreement by any Service Provider resulting from any error or defect in the performance of any Service (which breach such Service Provider can reasonably be expected to cure by re-performance in a commercially reasonable manner), the Service Provider shall use its reasonable commercial efforts to correct in all material respects such error, defect or breach or re-perform in all material respects such Service upon receipt of the written request of the applicable Receiving Party.

6.04. Indemnity. Except as otherwise provided in this Service Agreement (including the limitation of liability provisions in this Article VI), each Party shall indemnify, defend and hold harmless each other Party from and against any Liability arising out of the intentional breach hereunder or gross negligence of the Indemnifying Party or its Affiliates, employees, agents, or contractors (including with respect to the performance or nonperformance of any Service hereunder). The procedures set forth in Sections 6.04 and 6.05 of the Separation Agreement shall apply to any claim for indemnification hereunder.

## ARTICLE VII

### Effectiveness; Certain Deemed References; Termination



7.01. Effectiveness; Certain Substitutions. The provision of Services hereunder to any Spinco by each other applicable Party and to each other applicable Party by such Spinco shall commence as of the Distribution Date for such Spinco (the time of commencement of the provision of such Services being referred to as the “applicable Effective Date”); provided, that in

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the event Services are contemplated to be provided hereunder to such Spinco by another Spinco (a “Later-Spun Spinco”) the spinoff of which shall not have been effected prior to or substantially simultaneously with the spinoff of such first-mentioned Spinco, references herein and in the Services Schedule to such Later-Spun Spinco in its capacity as Service Provider to such first-mentioned Spinco shall be deemed references to IAC until the Distribution Date for such Later-Spun Spinco; and, provided, further, that in the event Services are contemplated to be provided hereunder by such first-mentioned Spinco to any Later-Spun Spinco, to the extent requested in writing by IAC (a) references herein and in the Services Schedule to such Later-Spun Spinco in its capacity as Receiving Party of Services from such Spinco shall be deemed references to IAC until the Distribution Date for such Later-Spun Spinco or (b) the provision of such Service shall be suspended until the Distribution Date for such Later-Spun Spinco (it being understood that any such suspension shall not increase the term during which the Service Provider would otherwise have been required to provide such Service).

7.02. Termination. Notwithstanding anything herein to the contrary, with respect to each pair of Parties (i.e., with respect to IAC and TMSpinco; IAC and HSNSpinco; IAC and Interval Spinco; IAC and Tree Spinco; TMSpinco and HSN Spinco; TMSpinco and Interval Spinco; TMSpinco and Tree Spinco; HSNSpinco and Interval Spinco; HSNSpinco and Tree Spinco; and Interval Spinco and Tree Spinco) the rights and obligations of each such Party in respect of such other Party under this Services Agreement shall terminate, and the obligation of the applicable Service Provider to provide or cause to be provided any applicable Service shall cease, on the earliest to occur of (i) the last date indicated for the termination of any Service provided by one such Party to the other such Party on the Services Schedule, as the case may be, (ii) the date on which the provision of all Services by either such Party to the other such Party has been cancelled pursuant to Article IV hereof or (iii) the date on which this Services Agreement, to the extent of the rights and obligations of such pair of Parties to each other, is terminated by either such Party, as the case may be, in accordance with the terms of Section 7.03 hereof; provided that, in each case, no such termination shall relieve any Party of any liability for any breach of any provision of this Services Agreement prior to the date of such termination.

7.03. Breach of Services Agreement; Dispute Resolution. Subject to Article VI hereof, and without limiting a Party’s obligations under Section 4.01, if a Party shall cause or suffer to exist any material breach of any of its obligations to any other Party (the “Nonbreaching Party”) under this Services Agreement, including any failure to make a payment within thirty (30) days after receipt of the statement describing the Services provided for pursuant to Section 3.04 with respect to more than one Service provided hereunder, and such breaching Party does not cure such default in all material respects within thirty (30) days after receiving written notice thereof from the Nonbreaching Party, the Nonbreaching Party shall have the right to terminate this Services Agreement to the extent of the rights and obligations of such Nonbreaching Party and breaching Party to each other hereunder immediately thereafter. In the event a dispute arises between two or more Parties regarding the terms of this Services Agreement, such dispute shall be governed by Article IX of the Separation Agreement.

7.03. Sums Due. In addition to any other payments required pursuant to this Services Agreement, in the event of a termination of this Services Agreement with respect to the rights and obligations of a Service Provider and a Receiving Party to each other, such Service Provider

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shall be entitled to the immediate payment of, and such Receiving Party shall within three (3) Business Days, pay to such Service Provider, all accrued amounts for Services, Taxes and other amounts due from such Receiving Party to such Service Provider under this Services Agreement as of the date of termination.

7.04. Effect of Termination. Section 2.02 hereof and Articles V, VI, VII and VIII hereof shall survive any termination or partial termination of this Services Agreement.

## ARTICLE VIII

### Miscellaneous

8.01. Incorporation of Separation Agreement Provisions. The provisions of Article XIII of the Separation Agreement are hereby incorporated herein by reference, and unless otherwise expressly specified herein, such provisions shall apply as if fully set forth herein.

8.02. Ownership of Work Product. Subject to the Separation Agreement, (i) each Service Provider acknowledges and agrees that it will acquire no right, title or interest (including any license rights or rights of use) to any work product resulting from the provision of Services hereunder for the Receiving Party’s exclusive use and such work product shall remain the exclusive property of the Receiving Party and (ii) each Receiving Party acknowledges and agrees that it will acquire no right, title or interest (other than a non-exclusive, worldwide right of use) to any work product resulting from the provision of Services hereunder that is not for the Receiving Party’s exclusive use and such work product shall remain the exclusive property, subject to license, of the Service Provider.

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IN WITNESS WHEREOF, the Parties have caused this Services Agreement to be executed by their duly authorized representatives.

IAC/InterActiveCorp,  
a Delaware corporation

/s/ Gregory Blatt

Name: Gregory R. Blatt  
Title: Executive Vice President

HSN, Inc.,  
a Delaware corporation

/s/ Tanya Stanich

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Name: Tanya Stanich  
Title: Vice President and Assistant  
Secretary

Interval Leisure Group, Inc.,  
a Delaware corporation

/s/ Joanne Hawkins

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Name: Joanne Hawkins  
Title: Vice President and Assistant  
Secretary

Ticketmaster,  
a Delaware corporation

/s/ Joanne Hawkins

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Name: Joanne Hawkins  
Title: Vice President and Assistant  
Secretary

Tree.com, Inc.,  
a Delaware corporation

Name: Tanya Stanich  
Title: Vice President and Assistant  
Secretary

[Signature Page to Transition Services Agreement]

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## Summary of Material Terms of Spin-Off Agreements

The summary below is qualified in its entirety by reference to the complete text of each of the Spin-Off Agreements, which are filed as exhibits 10.1, 10.2, 10.3, and 10.4 to this report on Form 8-K.

### Separation and Distribution Agreement

The Separation and Distribution Agreement will set forth the arrangements among IAC and each of the Spinco's regarding the principal transactions necessary to separate each of the Spinco's from IAC, as well as govern certain aspects of the relationship of a Spinco with IAC and other Spinco's after the completion of the spin-offs.

Each Spinco will agree to indemnify, defend and hold harmless (and to cause the other members of its respective group to indemnify, defend and hold harmless), under the Separation and Distribution Agreement, IAC and each of the other Spinco's, and each of their respective current and former directors, officers and employees, from and against any losses arising out of any breach by such indemnifying companies of the Spin-Off Agreements, any failure by such indemnifying company to assume and perform any of the liabilities allocated to such company and any liabilities relating to the indemnifying company's financial and business information included in filings made with the SEC in connection with the spin-offs. IAC will agree to indemnify, defend and hold harmless each of the Spinco's, and each of their respective current and former directors, officers and employees, from and against losses arising out of any breach by IAC of the Spin-Off Agreements, and any failure by IAC to perform its obligations under the Separation and Distribution Agreement or any Spin-Off Agreement.

In addition, the Separation and Distribution Agreement will also govern insurance and related reimbursement arrangements, provision and retention of records, access to information and confidentiality, cooperation with respect to governmental filings and third party consents and access to property.

### Tax Sharing Agreement

The Tax Sharing Agreement governs the respective rights, responsibilities and obligations of IAC and each Spinco after the spin-off of such Spinco with respect to taxes for periods ending on or before the spin-off of such Spinco. In general, pursuant to the Tax Sharing Agreement, IAC will prepare and file the consolidated federal income tax return, and any other tax returns that include IAC (or any of its subsidiaries) and a Spinco (or any of its subsidiaries) for all taxable periods ending on or prior to, or including, the distribution date of such Spinco with the appropriate tax authorities, and, except as otherwise set forth below, IAC will pay any taxes relating thereto to the relevant tax authority (including any taxes attributable to an audit adjustment with respect to such returns; provided that IAC will not be responsible for audit adjustments relating to the business of a Spinco (or any of its subsidiaries) with respect to pre-spin off periods if such Spinco fails to fully cooperate with IAC in the conduct of such audit). Each Spinco will prepare and file all tax returns that include solely such Spinco and/or its subsidiaries and any separate company tax returns for such Spinco and/or its subsidiaries for all taxable periods ending on or prior to, or including, the distribution date of such Spinco, and will pay all taxes due with respect to such tax returns (including any taxes attributable to an audit adjustment with respect to such returns). In the event an adjustment with respect to a pre-spin off period for which IAC is responsible results in a tax benefit to a Spinco in a post-spin off period, such Spinco will be required to pay such tax benefit to IAC. In general, IAC controls all audits and administrative matters and other tax proceedings relating to the consolidated federal income tax return of the IAC group and any other tax returns for which the IAC group is responsible.

Under the Tax Sharing Agreement a Spinco generally (i) may not take (or fail to take) any action that would cause any representation, information or covenant contained in the separation documents or the documents relating to the IRS private letter ruling and the tax opinion regarding the spin-off of such Spinco to be untrue, (ii) may not take (or fail to take) any other action that would cause the spin-off of such Spinco to lose its tax free status, (iii) may not sell, issue, redeem or otherwise acquire any of its equity securities (or equity securities of members of its group), except in certain specified transactions for a period of 25 months following the spin-off of such Spinco and (iv) may not, other than in the ordinary course of business, sell or otherwise dispose of a substantial portion of its assets, liquidate, merge or consolidate with any other person for a period of 25 months following the spin-off. Tree.com

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will not be subject to certain of the restrictions applicable to the other Spinco's during the 25-month period following the spin-off of each such other Spinco. During the 25-month period, a Spinco may take certain actions prohibited by these covenants if (i) it obtains IAC's prior written consent, (ii) it provides IAC with an IRS private letter ruling or an unqualified opinion of tax counsel to the effect that such actions will not affect the tax free nature of the spin-off of such Spinco, in each case satisfactory to IAC in its sole discretion, or (iii) IAC obtains a private letter ruling at such Spinco's request. In addition, with respect to actions or transactions involving acquisitions of Spinco stock entered into at least 18 months after the distribution of such Spinco, such Spinco will be permitted to proceed with such transaction if it delivers an unconditional officer's certificate establishing facts evidencing that such acquisition satisfies the requirements of a specified safe harbor set forth in applicable U.S. Treasury Regulations, and IAC, after due diligence, is satisfied with the accuracy of such certification.

Notwithstanding the receipt of any such IRS ruling, tax opinion or officer's certificate, generally each Spinco must indemnify IAC and each other Spinco for any taxes and related losses resulting from (i) any act or failure to act by such Spinco described in the covenants above, (ii) any acquisition of equity securities or assets of such Spinco or any member of its group, and (iii) any breach by such Spinco or any member of its group of any representation or covenant contained in the separation documents or the documents relating to the IRS private letter ruling or tax opinion concerning the spin-off of such Spinco.

Under U.S. federal income tax law, IAC and the Spinco's are severally liable for all of IAC's federal income taxes attributable to periods prior to and including the current taxable year of IAC, which ends on December 31, 2008. Thus, if IAC failed to pay the federal income taxes attributable to it under the Tax Sharing Agreement for periods prior to and including the current taxable year of IAC, the Spinco's would be severally liable for such taxes. In the event a Spinco is required to make a payment in respect of a spin-off related tax liability of the IAC consolidated federal income tax return group under these rules for which such Spinco is not responsible under the Tax Sharing Agreement and full indemnification cannot be obtained from the Spinco responsible for such payment under the Tax Sharing Agreement, IAC will indemnify the Spinco that was required to make the payment from and against the portion of such liability for which full indemnification cannot be obtained from the Spinco responsible for such payment under the Tax Sharing Agreement.

The Tax Sharing Agreement also contains provisions regarding the apportionment of tax attributes of the IAC consolidated federal income tax return group, the allocation of deductions with respect to compensatory equity interests, cooperation, and other customary matters. In general, tax deductions arising

by reason of exercises of options to acquire IAC or Spinco stock, vesting of “restricted” IAC or Spinco stock, or settlement of restricted stock units with respect to IAC or Spinco stock held by any person will be claimed by the party that employs such person at the time of exercise, vesting or settlement, as applicable (or in the case of a former employee, the party that last employed such person).

### **Employee Matters Agreement**

The employee matters agreement covers a wide range of compensation and benefit issues related to the spin-offs. In general, under the employee matters agreement (i) IAC will assume or retain (A) all liabilities with respect to IAC employees, former IAC employees (excluding any former employees of the Spincos) and their dependents and beneficiaries under all IAC employee benefit plans, and (B) all liabilities with respect to the employment or termination of employment of all IAC employees, former IAC employees (excluding any former employees of the Spincos) and their dependents and beneficiaries and (ii) Each Spinco will assume or retain (A) all liabilities under its employee benefit plans, and (B) all liabilities with respect to the employment or termination of employment of all such Spinco’s employees, former employees and their dependents and beneficiaries.

Subject to a transition period through the end of 2008 with respect to health and welfare benefits, after the spin-offs, the Spincos no longer will participate in IAC’s employee benefit plans, but will have established their own employee benefit plans that are currently expected to be substantially similar to the plans sponsored by IAC prior to the spin-offs. Through the end of 2008, IAC will continue to provide health and welfare benefits to employees of the Spincos and each Spinco will bear the cost of this coverage with respect to its employees. Assets and liabilities from the IAC Retirement Savings Plan relating to Spinco employees and former employees will be transferred to the applicable, newly established Spinco Retirement Savings Plan as soon as practicable following the spin-offs. For a

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description of the treatment of outstanding IAC equity awards pursuant to the employee matters agreement, see “The Separation—Treatment of Outstanding IAC Compensatory Equity-Based Awards.”

### **Transition Services Agreement**

Pursuant to a transition services agreement among IAC and the Spincos, each of IAC and the Spincos currently expect that some combination of the following services, among others, will be provided by/to the parties (and/or their respective businesses) as set forth below on an interim, transitional basis following completion of the spin-offs: (i) assistance with certain legal, finance, internal audit, human resources, insurance and tax affairs, including assistance with certain public company functions, from IAC to the Spincos, (ii) continued coverage/participation for employees of the Spincos under IAC health and welfare plans on the same basis as immediately prior to the distribution; (iii) the leasing/subleasing of office and/or data center space by IAC and its businesses to various Spincos (and vice versa); (iv) assistance with the implementation and hosting of certain software applications by/from IAC and its businesses for various Spincos (and vice versa); (v) call center and customer relations services by Ticketmaster to IAC’s Reserve America business and Tree.com; (vi) payroll processing services by Ticketmaster to certain IAC businesses and an ILG business and by HSNi to IAC; (vii) tax compliance services by HSNi to ILG and accounting services by Ticketmaster to IAC; and (viii) such other services as to which any Spinco(s) and IAC may agree.

The charges for these services will be on a cost plus fixed percentage or hourly rate basis to be agreed upon prior to the completion of the spin-offs. In general, the services to be provided by/to the parties (and/or their respective businesses) will begin on the date of the completion of the spin-offs and will cover a period generally not expected to exceed 12 months following the spin-offs. Any party may terminate the agreement with respect to one or more particular services being received by it upon such notice as will be provided for in the transition services agreement.

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**IAC/INTERACTIVECORP AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED COMBINED**  
**FINANCIAL STATEMENTS**

On August 20, 2008, IAC/InterActiveCorp (“IAC”) completed the spin-off transaction which separated IAC into five publicly traded companies:

- IAC, which includes:
  - the businesses currently comprising its Media & Advertising sector;
  - the Match and ServiceMagic segments;
  - the businesses currently comprising its Emerging Businesses group, including Shoebuy and ReserveAmerica, which were formerly included in the Retailing and Ticketmaster segments, respectively; and
  - certain investments in unconsolidated affiliates.
- HSN, Inc. (“HSNi”), which includes HSN TV, *HSN.com*, and the Cornerstone Brands, Inc. portfolio of catalogs, websites and retail locations;
- Interval Leisure Group, Inc. (“ILG”), which includes the businesses currently comprising the Interval segment;
- Ticketmaster, which includes its primary domestic and international operations as well as certain investments in unconsolidated affiliates; and
- Tree.com, Inc. (“Tree.com”), which includes the businesses currently comprising the Lending and Real Estate segments.

In addition, on May 30, 2008, IAC sold Entertainment Publications, Inc. (“EPI”), which was previously reported in IAC’s Entertainment segment. Accordingly, the results of operations of HSNi, ILG, Ticketmaster, Tree.com and EPI have been classified as discontinued operations in the accompanying unaudited pro forma condensed combined statements of operations for all periods presented. The assets and liabilities of HSNi, ILG, Ticketmaster and Tree.com (each, a “Spinco” and collectively, the “Spinco”) have been presented as assets and liabilities of discontinued operations for all periods presented in the accompanying unaudited pro forma condensed combined balance sheets. The assets and liabilities of EPI have been classified as “Assets held for sale” and “Liabilities held for sale” in the accompanying unaudited pro forma condensed combined balance sheets until the second quarter of 2008. These unaudited pro forma condensed combined financial statements give effect to the operations of HSNi, ILG, Ticketmaster, Tree.com and EPI being discontinued effective January 1, 2005.

The following unaudited pro forma condensed combined balance sheet of IAC as of June 30, 2008 has been derived from:

- the unaudited historical consolidated balance sheets of IAC, ILG and Tree.com as of June 30, 2008; and
- the unaudited historical combined balance sheets of HSNi and Ticketmaster as of June 30, 2008.

The following unaudited pro forma condensed combined balance sheets of IAC as of December 31, 2007 and 2006 have been derived from:

- the audited historical consolidated balance sheets of IAC, ILG and Tree.com as of December 31, 2007 and 2006;

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- the audited historical combined balance sheets of HSNi and Ticketmaster as of December 31, 2007 and 2006; and
  - the unaudited historical consolidated balance sheet of EPI as of December 31, 2006.

The following unaudited pro forma condensed combined statements of operations of IAC for the six months ended June 30, 2008 and 2007 have been derived from:

- the unaudited historical consolidated statements of operations of IAC, ILG and Tree.com for the six months ended June 30, 2008 and 2007; and
- the unaudited historical combined statements of operations of HSNi and Ticketmaster for the six months ended June 30, 2008 and 2007.

The following unaudited pro forma condensed combined statements of operations of IAC for each of the years in the three-year period ended December 31, 2007 have been derived from:

- the audited historical consolidated statements of operations of IAC, ILG and Tree.com for each of the years in the three-year period ended December 31, 2007;
- the audited historical combined statements of operations of HSNi and Ticketmaster for each of the years in the three-year period ended December 31, 2007; and
- the unaudited historical consolidated statements of operations of EPI for each of the years in the three-year period ended December 31, 2007.

The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have been achieved by IAC if the operations of HSNi, ILG, Ticketmaster, Tree.com and EPI had been discontinued at January 1, 2005, nor is it indicative of the future operating results or financial position of IAC. The pro forma adjustments are based upon information and assumptions available at the

**IAC/INTERACTIVECORP AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**

	IAC Condensed June 30, 2008	HSN, Inc. Condensed June 30, 2008	Interval Leisure Group, Inc. Condensed June 30, 2008	Ticketmaster Condensed June 30, 2008	Tree.com, Inc. Condensed June 30, 2008	Total Spincos	Subtotal	Spincos Pro Forma Adjustments	Notes	Total Pro Forma Condensed June 30, 2008
(In thousands)										
<b>ASSETS</b>										
Cash and cash equivalents	\$ 1,431,991	\$ 5,057	\$ 76,208	\$ 520,795	\$ 53,301	\$ 655,361	\$ 776,630	\$ (115,240)	(a), (c)	\$ 661,390
Restricted cash and cash equivalents	9,331	—	5,085	—	2,905	7,990	1,341	—	—	1,341
Marketable securities	143,391	—	—	4,133	—	4,133	139,258	—	—	139,258
Prepaid and other current assets	1,242,116	555,344	80,491	259,989	112,132	1,007,956	234,160	11,145	(b)	245,305
Current assets of discontinued operations	—	—	—	—	—	—	—	1,779,535	(c)	1,779,535
Total current assets	2,826,829	560,401	161,784	784,917	168,338	1,675,440	1,151,389	1,675,440	—	2,826,829
Property and equipment, net	655,695	151,125	35,982	112,434	20,077	319,618	336,077	—	—	336,077
Goodwill	6,415,138	2,662,830	513,323	1,389,179	9,285	4,574,617	1,840,521	2,303	(b)	1,842,824
Intangible assets, net	1,343,628	489,208	175,965	224,635	67,884	957,692	385,936	—	—	385,936
Long-term investments and other non-current assets	787,009	10,719	41,354	222,870	184	275,127	511,882	92,039	(b)	603,921
Non-current assets of discontinued operations	—	—	—	—	—	—	—	6,032,712	(c)	6,032,712
<b>TOTAL ASSETS</b>	<b>\$ 12,028,299</b>	<b>\$ 3,874,283</b>	<b>\$ 928,408</b>	<b>\$ 2,734,035</b>	<b>\$ 265,768</b>	<b>\$ 7,802,494</b>	<b>\$ 4,225,805</b>	<b>\$ 7,802,494</b>		<b>\$ 12,028,299</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>										
<b>LIABILITIES:</b>										
Current maturities of long-term obligations and short-term borrowings	\$ 77,773	\$ 57	\$ —	\$ 2,269	\$ 75,433	\$ 77,759	\$ 14	\$ —	—	\$ 14
Accrued expenses and other current liabilities	1,518,500	355,333	177,428	597,287	76,668	1,206,716	311,784	39,651	(b), (c)	351,435
Current liabilities of discontinued operations	—	—	—	—	—	—	—	1,244,824	(c)	1,244,824
Total current liabilities	1,596,273	355,390	177,428	599,556	152,101	1,284,475	311,798	1,284,475	—	1,596,273
Long-term obligations, net of current maturities	835,199	—	—	1,641	—	1,641	833,558	—	—	833,558
Income taxes payable	263,430	163	—	1,022	819	2,004	261,426	(17)	(b)	261,409
Other long-term liabilities	177,592	8,277	144,727	5,625	2,071	160,700	16,892	—	—	16,892
Non-current liabilities of discontinued operations	—	—	—	—	—	—	—	1,097,550	(c)	1,097,550
Deferred income taxes	926,861	788,728	106,341	66,245	24,944	986,258	(59,397)	60,197	(b)	800
Minority interest	39,445	—	519	7,331	—	7,850	31,595	723	(b)	32,318
Commitments and contingencies	—	—	—	—	—	—	—	—	—	—
<b>SHAREHOLDERS' EQUITY:</b>										
Invested capital	—	4,280,408	726,795	2,604,162	766,365	8,377,730	(8,377,730)	8,377,730	(c)	—
(Receivable from) payable to IAC and subsidiaries	—	(1,559,460)	(495,374)	(606,947)	46,454	(2,615,327)	2,615,327	(2,615,327)	(c)	—
Preferred stock \$.01 par value	—	—	—	—	—	—	—	—	—	—
Common stock \$.001 par value	419	—	—	—	—	—	419	—	—	419
Class B convertible common stock \$.001 par value	32	—	—	—	—	—	32	—	—	32
Additional paid-in capital	14,807,363	—	—	—	—	—	14,807,363	—	—	14,807,363
Retained earnings (accumulated deficit)	199,039	—	266,784	—	(726,986)	(460,202)	659,241	(460,202)	(c)	199,039
Accumulated other comprehensive income	96,975	777	1,188	55,400	—	57,365	39,610	57,365	(c)	96,975
Treasury stock	(6,914,329)	—	—	—	—	—	(6,914,329)	—	—	(6,914,329)
Total shareholders' equity	8,189,499	2,721,725	499,393	2,052,615	85,833	5,359,566	2,829,933	5,359,566	—	8,189,499
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 12,028,299</b>	<b>\$ 3,874,283</b>	<b>\$ 928,408</b>	<b>\$ 2,734,035</b>	<b>\$ 265,768</b>	<b>\$ 7,802,494</b>	<b>\$ 4,225,805</b>	<b>\$ 7,802,494</b>		<b>\$ 12,028,299</b>

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

**IAC/INTERACTIVECORP AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**

	IAC Condensed December 31, 2007	HSN, Inc. Condensed December 31, 2007	Interval Leisure Group, Inc. Condensed December 31, 2007	Ticketmaster Condensed December 31, 2007	Tree.com, Inc. Condensed December 31, 2007	Total Spincos	Subtotal	Spincos Pro Forma Adjustments	Notes	Total Pro Forma Condensed December 31, 2007
(In thousands)										
<b>ASSETS</b>										
Cash and cash equivalents	\$ 1,585,302	\$ 6,220	\$ 67,113	\$ 568,417	\$ 45,940	\$ 687,690	\$ 897,612	\$ (21,468)	(a), (c)	\$ 876,144
Restricted cash and cash equivalents	23,701	—	5,817	853	14,953	21,623	2,078	—	—	2,078
Marketable securities	326,788	—	—	—	—	—	326,788	—	—	326,788
Assets held for sale	126,996	—	—	—	—	—	126,996	—	—	126,996
Prepaid and other current assets	1,363,450	589,808	74,633	223,590	111,618	999,649	363,801	1,238	(b)	365,039
Current assets of discontinued operations	—	—	—	—	—	—	—	1,729,192	(c)	1,729,192
Total current assets	3,426,237	596,028	147,563	792,860	172,511	1,708,962	1,717,275	1,708,962	—	3,426,237
Property and equipment, net	641,697	155,805	34,963	95,122	21,466	307,356	334,341	—	—	334,341
Goodwill	6,453,664	2,884,389	514,308	1,090,418	140,892	4,630,007	1,823,657	122	(b)	1,823,779
Intangible assets, net	1,363,237	571,662	188,895	92,325	108,440	961,322	401,915	—	—	401,915
Long-term investments and other non-current assets	705,967	12,747	36,888	235,809	278	285,722	420,245	82,542	(b)	502,787
Non-current assets of discontinued operations	—	—	—	—	—	—	—	6,101,743	(c)	6,101,743
<b>TOTAL ASSETS</b>	<b>\$ 12,590,802</b>	<b>\$ 4,220,631</b>	<b>\$ 922,617</b>	<b>\$ 2,306,534</b>	<b>\$ 443,587</b>	<b>\$ 7,893,369</b>	<b>\$ 4,697,433</b>	<b>\$ 7,893,369</b>		<b>\$ 12,590,802</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>										
<b>LIABILITIES:</b>										
Current maturities of long-term obligations and short-term borrowings	\$ 111,857	\$ 117	\$ —	\$ 14	\$ 99,622	\$ 99,753	\$ 12,104	\$ —	—	\$ 12,104
Liabilities held for sale	59,689	—	—	—	—	—	59,689	—	—	59,689
Accrued expenses and other current liabilities	1,562,687	448,726	160,275	522,929	89,376	1,221,306	341,381	55,752	(b), (c)	397,133
Current liabilities of discontinued operations	—	—	—	—	—	—	—	1,265,307	(c)	1,265,307
Total current liabilities	1,734,233	448,843	160,275	522,943	188,998	1,321,059	413,174	1,321,059	—	1,734,233
Long-term obligations, net of current maturities	834,566	—	—	—	—	—	834,566	—	—	834,566
Income taxes payable	265,962	137	—	982	730	1,849	264,113	—	—	264,113
Other long-term liabilities	169,490	8,796	141,330	3,204	2,529	155,859	13,631	—	—	13,631
Non-current liabilities of discontinued operations	—	—	—	—	—	—	—	1,127,479	(c)	1,127,479
Deferred income taxes	962,408	819,969	107,133	32,416	36,706	996,224	(33,816)	34,054	(b)	238
Minority interest	40,481	—	512	7,812	—	8,324	32,157	723	(b)	32,880
Commitments and contingencies	—	—	—	—	—	—	—	—	—	—
<b>SHAREHOLDERS' EQUITY:</b>										
Invested capital	—	4,522,873	726,919	2,172,497	751,923	8,174,212	(8,174,212)	8,174,212	(c)	—
(Receivable from) payable to IAC and subsidiaries	—	(1,581,157)	(436,475)	(474,110)	20,067	(2,471,675)	2,471,675	(2,471,675)	(c)	—
Preferred stock \$.01 par value	—	—	—	—	—	—	—	—	—	—
Common stock \$.001 par value	417	—	—	—	—	—	417	—	—	417

Class B convertible common stock \$.001 par value	32	—	—	—	—	—	—	—	32	—	32
Additional paid-in capital	14,744,318	—	—	—	—	—	—	—	14,744,318	—	14,744,318
Retained earnings (accumulated deficit)	567,820	—	222,484	—	(557,366)	(334,882)	—	902,702	(334,882)	(c)	567,820
Accumulated other comprehensive income (loss)	39,814	1,170	439	40,790	—	42,399	—	(2,585)	42,399	(c)	39,814
Treasury stock	(6,768,739)	—	—	—	—	—	—	(6,768,739)	—	—	(6,768,739)
Total shareholders' equity	8,583,662	2,942,886	513,367	1,739,177	214,624	5,410,054	—	3,173,608	5,410,054	—	8,583,662
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 12,590,802</b>	<b>\$ 4,220,631</b>	<b>\$ 922,617</b>	<b>\$ 2,306,534</b>	<b>\$ 443,587</b>	<b>\$ 7,893,369</b>	<b>\$ 4,697,433</b>	<b>\$ 7,893,369</b>	<b>\$ 7,893,369</b>	<b>\$ 12,590,802</b>	

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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### IAC/INTERACTIVECORP AND SUBSIDIARIES UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

	IAC Condensed Including EPI December 31, 2006	(d) EPI December 31, 2006	Subtotal	HSN, Inc. Condensed December 31, 2006	Interval Leisure Group, Inc. Condensed December 31, 2006	Ticketmaster Condensed December 31, 2006	Tree.com, Inc. Condensed December 31, 2006	Total Spincos	Subtotal	Spincos Pro Forma Adjustments	Notes	Total Pro Forma Condensed December 31, 2006
(In thousands)												
<b>ASSETS</b>												
Cash and cash equivalents	\$ 1,428,140	\$ —	\$ 1,428,140	\$ 53,367	\$ 37,557	\$ 317,577	\$ 99,498	\$ 507,999	\$ 920,141	\$ (27,853)	(a), (c)	\$ 892,288
Restricted cash and cash equivalents	27,855	—	27,855	—	293	—	15,467	15,760	12,095	—	—	12,095
Marketable securities	897,742	—	897,742	—	—	—	—	—	897,742	—	—	897,742
Assets held for sale	226,880	(177,033)	403,913	226,880	—	—	—	226,880	177,033	—	—	177,033
Prepaid and other current assets	1,377,640	(2,511)	1,380,151	548,516	54,974	152,230	389,973	1,145,693	234,458	33,798	(b)	268,256
Current assets of discontinued operations	—	—	—	—	—	—	—	—	—	1,890,387	(c)	1,890,387
Total current assets	3,958,257	(179,544)	4,137,801	828,763	92,824	469,807	504,938	1,896,332	2,241,469	1,896,332	—	4,137,801
Property and equipment, net	594,536	12,035	582,501	143,209	21,330	82,599	30,677	277,815	304,686	—	—	304,686
Goodwill	6,849,976	66,703	6,783,273	2,883,769	473,879	1,051,732	582,295	4,991,675	1,791,598	21	(b)	1,791,619
Intangible assets, net	1,463,972	53,115	1,410,857	584,343	153,220	110,629	142,781	990,973	419,884	—	—	419,884
Long-term investments and other non-current assets	330,047	1,323	328,724	18,083	26,424	100,944	354	145,805	182,919	854	(b)	183,773
Non-current assets of discontinued operations	—	—	—	—	—	—	—	—	—	6,405,393	(c)	6,405,393
<b>TOTAL ASSETS</b>	<b>\$ 13,196,788</b>	<b>\$ (46,368)</b>	<b>\$ 13,243,156</b>	<b>\$ 4,458,167</b>	<b>\$ 767,677</b>	<b>\$ 1,815,711</b>	<b>\$ 1,261,045</b>	<b>\$ 8,302,600</b>	<b>\$ 4,940,556</b>	<b>\$ 8,302,600</b>		<b>\$ 13,243,156</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>												
<b>LIABILITIES:</b>												
Current maturities of long-term obligations and short-term borrowings	\$ 357,679	\$ —	\$ 357,679	\$ —	\$ —	\$ 27	\$ 350,072	\$ 350,099	\$ 7,580	\$ —	—	\$ 7,580
Liabilities held for sale	64,345	(43,523)	107,868	64,345	—	—	—	64,345	43,523	—	—	43,523
Accrued expenses and other current liabilities	1,844,964	13,098	1,831,866	423,826	136,028	410,138	75,403	1,045,395	786,471	59,809	(b), (c)	846,280
Current liabilities of discontinued operations	—	—	—	—	—	—	—	—	—	1,400,030	(c)	1,400,030
Total current liabilities	2,266,988	(30,425)	2,297,413	488,171	136,028	410,165	425,475	1,459,839	837,574	1,459,839	—	2,297,413
Long-term obligations, net of current maturities	856,408	—	856,408	—	—	13	19,347	19,360	837,048	—	—	837,048
Other long-term liabilities	196,460	2,516	193,944	9,709	124,690	3,497	3,794	141,690	52,254	—	—	52,254
Non-current liabilities of discontinued operations	—	—	—	—	—	—	—	—	—	1,249,315	(c)	1,249,315
Deferred income taxes	1,112,577	(18,459)	1,131,036	836,571	98,072	43,530	38,976	1,017,149	113,887	(70,447)	(b)	43,440
Minority interest	24,881	—	24,881	—	—	669	—	669	24,212	—	—	24,212
Commitments and contingencies	—	—	—	—	—	—	—	—	—	—	—	—
<b>SHAREHOLDERS' EQUITY:</b>												
Invested capital	—	—	—	4,569,019	612,532	1,874,710	750,331	7,806,592	(7,806,592)	7,806,592	(c)	—
(Receivable from) payable to IAC and subsidiaries	—	—	—	(1,483,873)	(355,057)	(539,861)	29,126	(2,349,665)	2,349,665	(2,349,665)	(c)	—
Preferred stock \$.01 par value	—	—	—	—	—	—	—	—	—	—	—	—
Common stock \$.001 par value	410	—	410	—	—	—	—	—	410	—	—	410
Class B convertible common stock \$.001 par value	32	—	32	—	—	—	—	—	32	—	—	32
Additional paid-in capital	14,636,478	—	14,636,478	—	—	—	—	—	14,636,478	—	—	14,636,478
Retained earnings (accumulated deficit)	291,192	—	291,192	—	151,198	—	(6,004)	145,194	145,998	145,194	(c)	291,192
Accumulated other comprehensive income	76,505	—	76,505	38,570	214	22,988	—	61,772	14,733	61,772	(c)	76,505
Treasury stock	(6,260,145)	—	(6,260,145)	—	—	—	—	—	(6,260,145)	—	—	(6,260,145)
Note receivable from key executive for common stock issuance	(4,998)	—	(4,998)	—	—	—	—	—	(4,998)	—	—	(4,998)
Total shareholders' equity	8,739,474	—	8,739,474	3,123,716	408,887	1,357,837	773,453	5,663,893	3,075,581	5,663,893	—	8,739,474
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 13,196,788</b>	<b>\$ (46,368)</b>	<b>\$ 13,243,156</b>	<b>\$ 4,458,167</b>	<b>\$ 767,677</b>	<b>\$ 1,815,711</b>	<b>\$ 1,261,045</b>	<b>\$ 8,302,600</b>	<b>\$ 4,940,556</b>	<b>\$ 8,302,600</b>		<b>\$ 13,243,156</b>

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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### IAC/INTERACTIVECORP AND SUBSIDIARIES UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

	IAC Condensed Six Months Ended June 30, 2008	HSN, Inc. Condensed Six Months Ended June 30, 2008	Interval Leisure Group, Inc. Condensed Six Months Ended June 30, 2008	Ticketmaster Condensed Six Months Ended June 30, 2008	Tree.com, Inc. Condensed Six Months Ended June 30, 2008	Total Spincos	Subtotal	Spincos Pro Forma Adjustments	Notes	Total Pro Forma Condensed Six Months Ended June 30, 2008
(In thousands)										
Product sales	\$ 1,428,675	\$ 1,372,712	\$ —	\$ —	\$ —	\$ 1,372,712	\$ 55,963	\$ —	—	\$ 55,963
Service revenue	1,748,273	—	219,121	731,350	130,176	1,080,647	667,626	1,231	(e)	668,857
Net revenue	3,176,948	1,372,712	219,121	731,350	130,176	2,453,359	723,589	1,231	—	724,820
Cost of sales—product sales (exclusive of depreciation shown separately below)	925,838	888,663	—	—	—	888,663	37,175	384	(e), (g)	37,559
Cost of sales—service revenue (exclusive of depreciation shown separately below)	801,469	—	70,321	469,571	35,141	575,033	226,436	(33)	(e), (g)	226,403
Gross profit	1,449,641	484,049	148,800	261,779	95,035	989,663	459,978	880	—	460,858
Selling and marketing expense	639,784	280,995	25,775	44,029	64,480	415,279	224,505	633	(e)	225,138

General and administrative expense	437,202	110,161	40,134	87,497	38,036	275,828	161,374	5,969	(e), (f), (g)	167,343
Other operating expense	61,964	28,811	—	—	3,552	32,363	29,601	(8)	(g)	29,593
Amortization of non-cash marketing	10,128	4,261	—	—	—	4,261	5,867	—	—	5,867
Amortization of intangibles	172,258	82,454	12,954	20,403	40,706	156,517	15,741	—	—	15,741
Depreciation	84,195	18,421	4,627	22,883	3,546	49,477	34,718	—	—	34,718
Goodwill impairment	354,005	221,500	—	—	130,957	352,457	1,548	(1,548)	(g)	—
Operating (loss) income	(309,895)	(262,554)	65,310	86,967	(186,242)	(296,519)	(13,376)	(4,166)	—	(17,542)
Other income (expense):										
Interest income	18,493	39	7,135	3,022	11	10,207	8,286	5,490	(e)	13,776
Interest expense	(27,377)	—	(113)	(5,905)	(328)	(6,346)	(21,031)	(4,833)	(e)	(25,864)
Equity in income (losses) of unconsolidated affiliates	11,425	—	—	(802)	—	(802)	12,227	—	—	12,227
Other (expense) income	(87,012)	—	(540)	657	(2)	115	(87,127)	(1,797)	(g)	(88,924)
Total other (expense) income, net	(84,471)	39	6,482	(3,028)	(319)	3,174	(87,645)	(1,140)	—	(88,785)
(Loss) earnings from continuing operations before income taxes and minority interest	(394,366)	(262,515)	71,792	83,939	(186,561)	(293,345)	(101,021)	(5,306)	—	(106,327)
Income tax benefit (provision)	7,516	22,544	(27,485)	(29,675)	13,842	(20,774)	28,290	(10,052)	(h)	18,238
Minority interest in losses (income) of consolidated subsidiaries	2,262	—	(7)	1,455	—	1,448	814	—	—	814
<b>(Loss) earnings from continuing operations</b>	<b>\$ (384,588)</b>	<b>\$ (239,971)</b>	<b>\$ 44,300</b>	<b>\$ 55,719</b>	<b>\$ (172,719)</b>	<b>\$ (312,671)</b>	<b>\$ (71,917)</b>	<b>\$ (15,358)</b>		<b>\$ (87,275)</b>

**Loss per share from continuing operations: (i)**

Basic loss per share	\$ (1.38)									\$ (0.63)
Diluted loss per share	\$ (1.38)									\$ (0.63)

Non-cash compensation expense is included in the following line items in the condensed combined statements of operations:

Cost of sales	\$ 4,441	\$ 603	\$ 240	\$ 538	\$ 162	\$ 1,543	\$ 2,898	\$ —		\$ 2,898
Selling and marketing expense	4,861	660	263	588	177	1,688	3,173	—		3,173
General and administrative expense	52,531	6,468	2,590	10,267	1,878	21,203	31,328	7	(g)	31,335
Other operating expense	106	6	—	—	2	8	98	(7)	(g)	91
Total non-cash compensation expense	\$ 61,939	\$ 7,737	\$ 3,093	\$ 11,393	\$ 2,219	\$ 24,442	\$ 37,497	\$ —		\$ 37,497

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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**IAC/INTERACTIVECORP AND SUBSIDIARIES  
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**

	IAC Condensed Six Months Ended June 30, 2007	HSN, Inc. Condensed Six Months Ended June 30, 2007	Interval Leisure Group, Inc. Condensed Six Months Ended June 30, 2007	Ticketmaster Condensed Six Months Ended June 30, 2007	Tree.com, Inc. Condensed Six Months Ended June 30, 2007	Total Spincos	Subtotal	Spincos Pro Forma Adjustments	Notes	Total Pro Forma Condensed Six Months Ended June 30, 2007
	(In thousands)									
Product sales	\$ 1,389,133	\$ 1,348,211	\$ —	\$ —	\$ —	\$ 1,348,211	\$ 40,922	\$ 2	(e)	\$ 40,924
Service revenue	1,572,607	—	172,318	596,993	220,638	989,949	582,658	(5,241)	(e), (g)	577,417
Net revenue	2,961,740	1,348,211	172,318	596,993	220,638	2,338,160	623,580	(5,239)		618,341
Cost of sales—product sales (exclusive of depreciation shown separately below)	868,221	840,180	—	—	—	840,180	28,041	984	(e), (g)	29,025
Cost of sales—service revenue (exclusive of depreciation shown separately below)	677,633	—	41,452	368,644	41,438	451,534	226,099	(6,717)	(e), (g)	219,382
Gross profit	1,415,886	508,031	130,866	228,349	179,200	1,046,446	369,440	494		369,934
Selling and marketing expense	641,826	290,009	23,075	15,231	113,330	441,645	200,181	1,209	(e)	201,390
General and administrative expense	392,532	105,040	33,065	74,150	62,158	274,413	118,119	6,413	(e), (f), (g)	124,532
Other operating expense	57,937	28,747	—	—	8,166	36,913	21,024	124	(g)	21,148
Amortization of non-cash marketing	24,458	450	—	—	—	450	24,008	—		24,008
Amortization of intangibles	59,240	6,786	12,610	13,520	10,287	43,203	16,037	—		16,037
Depreciation	73,800	17,089	3,853	18,592	5,419	44,953	28,847	—		28,847
Operating income (loss)	166,093	59,910	58,263	106,856	(20,160)	204,869	(38,776)	(7,252)		(46,028)
Other income (expense):										
Interest income	37,750	189	5,278	13,877	277	19,621	18,129	16,215	(e)	34,344
Interest expense	(30,613)	—	(116)	(399)	(521)	(1,036)	(29,577)	(180)	(e)	(29,757)
Equity in income of unconsolidated affiliates	14,483	—	—	1,825	—	1,825	12,658	—		12,658
Other income (expense)	7,650	(256)	(849)	(125)	1	(1,229)	8,879	—		8,879
Total other income (expense), net	29,270	(67)	4,313	15,178	(243)	19,181	10,089	16,035		26,124
Earnings (loss) from continuing operations before income taxes and minority interest	195,363	59,843	62,576	122,034	(20,403)	224,050	(28,687)	8,783		(19,904)
Income tax (provision) benefit	(71,258)	(22,771)	(24,005)	(44,510)	7,788	(83,498)	12,240	(4,473)	(h)	7,767
Minority interest in losses (income) of consolidated subsidiaries	240	—	(3)	205	—	202	38	—		38
<b>Earnings (loss) from continuing operations</b>	<b>\$ 124,345</b>	<b>\$ 37,072</b>	<b>\$ 38,568</b>	<b>\$ 77,729</b>	<b>\$ (12,615)</b>	<b>\$ 140,754</b>	<b>\$ (16,409)</b>	<b>\$ 4,310</b>		<b>\$ (12,099)</b>
<b>Earnings (loss) per share from continuing operations: (i)</b>										
Basic earnings (loss) per share	\$ 0.43									\$ (0.08)
Diluted earnings (loss) per share	\$ 0.41									\$ (0.08)

Non-cash compensation expense is included in the following line items in the condensed combined statements of operations:

Cost of sales	\$ 3,886	\$ 480	\$ 107	\$ 390	\$ 176	\$ 1,153	\$ 2,733	\$ —		\$ 2,733
Selling and marketing expense	4,254	525	117	428	192	1,262	2,992	—		2,992
General and administrative expense	42,518	5,247	1,133	4,124	2,109	12,613	29,905	5	(g)	29,910
Other operating expense	101	4	—	—	2	6	95	(5)	(g)	90
Total non-cash compensation expense	\$ 50,759	\$ 6,256	\$ 1,357	\$ 4,942	\$ 2,479	\$ 15,034	\$ 35,725	\$ —		\$ 35,725

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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**IAC/INTERACTIVECORP AND SUBSIDIARIES  
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**

	IAC Condensed Including EPI	(j) EPI Year Ended	Subtotal	HSN, Inc. Condensed Year Ended	Interval Leisure Group, Inc. Condensed	Ticketmaster Condensed Year Ended	Tree.com, Inc. Condensed	Total Spincos	Subtotal	Spincos Pro Forma Adjustments	Notes	Total Pro Forma Condensed
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Non-cash compensation expense is included in the following line items in the condensed combined statements of operations:

Cost of sales	\$ 6,962	\$ (6)	\$ 6,968	\$ 755	\$ 225	\$ 654	\$ 263	\$ 1,897	\$ 5,071	\$ —	\$ 5,071
Selling and marketing expense	7,621	(5)	7,626	1,117	210	646	289	2,262	5,364	—	5,364
General and administrative expense	77,613	(54)	77,667	9,867	2,851	6,539	1,603	20,860	56,807	6 (g)	56,813
Other operating expense	148	—	148	7	—	—	22	29	119	(6) (g)	113
Total non-cash compensation expense	\$ 92,344	\$ (65)	\$ 92,409	\$ 11,746	\$ 3,286	\$ 7,839	\$ 2,177	\$ 25,048	\$ 67,361	\$ —	\$ 67,361

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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**IAC/INTERACTIVECORP AND SUBSIDIARIES  
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**

	IAC Condensed Including EPI Year Ended December 31, 2005	(j) EPI Year Ended December 31, 2005	Subtotal	HSN, Inc. Condensed Year Ended December 31, 2005	Interval Leisure Group, Inc. Condensed Year Ended December 31, 2005	Ticketmaster Condensed Year Ended December 31, 2005	Tree.com, Inc. Condensed Year Ended December 31, 2005	Total Spincos	Subtotal	Spincos Pro Forma Adjustments	Notes	Total Pro Forma Condensed Year Ended December 31, 2005
(In thousands)												
Product sales	\$ 2,887,029	\$ 216,078	\$ 2,670,951	\$ 2,670,951	\$ —	\$ —	\$ —	\$ 2,670,951	\$ —	\$ —		\$ —
Service revenue	2,137,606	—	2,137,606	—	260,843	928,704	421,355	1,610,902	526,704	(3,211) (e), (g)		523,493
Net revenue	5,024,635	216,078	4,808,557	2,670,951	260,843	928,704	421,355	4,281,853	526,704	(3,211)		523,493
Cost of sales—product sales (exclusive of depreciation shown separately below)	1,715,154	68,575	1,646,579	1,647,857	—	—	—	1,647,857	(1,278)	1,287 (e), (g)		9
Cost of sales—service revenue (exclusive of depreciation shown separately below)	892,295	3,841	888,454	—	60,794	561,060	66,342	688,196	200,258	(7,146) (e), (g)		193,112
Gross profit	2,417,186	143,662	2,273,524	1,023,094	200,049	367,644	355,013	1,945,800	327,724	2,648		330,372
Selling and marketing expense	965,077	85,408	879,669	500,877	38,424	17,691	176,749	733,741	145,928	4,606 (e)		150,534
General and administrative expense	725,911	33,753	692,158	171,180	56,213	121,695	101,975	451,063	241,095	14,752 (e), (f), (g)		255,847
Other operating expense	87,687	3,604	84,083	55,494	—	—	15,001	70,495	13,588	(812) (g)		12,776
Amortization of intangibles	185,157	6,384	178,773	59,444	25,220	28,748	35,314	148,726	30,047	—		30,047
Depreciation	127,073	4,766	122,307	40,947	7,368	33,495	6,720	88,530	33,777	—		33,777
Operating income (loss)	326,281	9,747	316,534	195,152	72,824	166,015	19,254	453,245	(136,711)	(15,898)		(152,609)
Other income (expense):												
Interest income	138,478	133	138,345	345	6,518	17,417	195	24,475	113,870	20,330 (e)		134,200
Interest expense	(77,316)	(14)	(77,302)	(992)	(623)	(65)	(2,195)	(3,875)	(73,427)	(135) (e)		(73,562)
Gain on sale of VUE interests	523,487	—	523,487	—	—	—	—	—	523,487	—		523,487
Equity in income of unconsolidated affiliates	47,844	—	47,844	—	—	3,401	—	3,401	44,443	—		44,443
Other (expense) income	(12,552)	325	(12,877)	(1,118)	(272)	689	(35)	(736)	(12,141)	(327) (g)		(12,468)
Total other income (loss), net	619,941	444	619,497	(1,765)	5,623	21,442	(2,035)	23,265	596,232	19,868		616,100
Earnings from continuing operations before income taxes and minority interest	946,222	10,191	936,031	193,387	78,447	187,457	17,219	476,510	459,521	3,970		463,491
Income tax provision	(375,188)	(5,037)	(370,151)	(66,310)	(29,204)	(68,288)	(11,420)	(175,222)	(194,929)	29,538 (h)		(165,391)
Minority interest in (income) losses of consolidated subsidiaries	(2,129)	—	(2,129)	—	—	(1,470)	52	(1,418)	(711)	327 (g)		(384)
<b>Earnings from continuing operations</b>	<b>\$ 568,905</b>	<b>\$ 5,154</b>	<b>\$ 563,751</b>	<b>\$ 127,077</b>	<b>\$ 49,243</b>	<b>\$ 117,699</b>	<b>\$ 5,851</b>	<b>\$ 299,870</b>	<b>\$ 263,881</b>	<b>\$ 33,835</b>		<b>\$ 297,716</b>
<b>Earnings per share from continuing operations: (i)</b>												
Basic earnings per share	\$ 1.70											\$ 1.76
Diluted earnings per share	\$ 1.60											\$ 1.66

Non-cash compensation expense is included in the following line items in the condensed combined statements of operations:

Cost of sales	\$ 7,364	\$ 60	\$ 7,304	\$ 524	\$ 82	\$ 1,664	\$ 317	\$ 2,587	\$ 4,717	\$ —	\$ 4,717
Selling and marketing expense	5,840	47	5,793	1,143	46	621	333	2,143	3,650	—	3,650
General and administrative expense	124,215	989	123,226	12,057	1,131	18,020	6,620	37,828	85,398	1 (g)	85,399
Other operating expense	118	1	117	1	—	—	115	116	1	(1) (g)	—
Total non-cash compensation expense	\$ 137,537	\$ 1,097	\$ 136,440	\$ 13,725	\$ 1,259	\$ 20,305	\$ 7,385	\$ 42,674	\$ 93,766	\$ —	\$ 93,766

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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**IAC/INTERACTIVECORP AND SUBSIDIARIES  
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS  
(In thousands)**

	As of June 30, 2008	As of December 31, 2007	As of December 31, 2006
(a) To record the decrease to IAC's cash and cash equivalents pursuant to the terms of the spin-off.			
Cash and cash equivalents	\$ (150,807)	\$ (77,755)	\$ (82,694)
(b) To reflect the Spincos' historical income tax assets and liabilities and related impact to the carrying value of the Spincos' goodwill as if each had been a member of IAC's consolidated group for all periods presented.			
Current deferred tax asset	\$ 11,145	\$ 1,238	\$ 33,798
Goodwill	2,303	122	21
Non-current deferred tax asset	92,039	82,542	854
Current income taxes payable	4,084	(535)	4,968
Non-current income taxes payable	(17)	—	—
Non-current deferred tax liability	60,197	34,054	(70,447)

- (c) To reclassify the Spincos' historical assets, liabilities and shareholders' equity, including pro forma adjustments above, from continuing operations to discontinued operations.

Cash and cash equivalents	\$	35,567	\$	56,287	\$	54,841
Current assets of discontinued operations		1,779,535		1,729,192		1,890,387
Non-current assets of discontinued operations		6,032,712		6,101,743		6,405,393
Accounts payable, trade		35,567		56,287		54,841
Current liabilities of discontinued operations		1,244,824		1,265,307		1,400,030
Non-current liabilities of discontinued operations		1,097,550		1,127,479		1,249,315
Invested capital		8,377,730		8,174,212		7,806,592
(Receivable from) payable to IAC and subsidiaries		(2,615,327)		(2,471,675)		(2,349,665)
(Accumulated deficit) retained earnings		(460,202)		(334,882)		145,194
Accumulated other comprehensive income		57,365		42,399		61,772

- (d) To reclassify the assets and liabilities of EPI as "Assets held for sale" and "Liabilities held for sale" as of December 31, 2006.

**IAC/INTERACTIVECORP AND SUBSIDIARIES**  
**NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS**  
**(Continued)**  
**(In thousands)**

For the Six Months Ended		For the Year Ended		
June 30, 2008	June 30, 2007	December 31, 2007	December 31, 2006	December 31, 2005

- (e) To reclassify the previously recorded elimination of intercompany transactions between the Spincos and IAC's other subsidiaries from continuing operations to discontinued operations as follows:

Product sales	\$	—	\$	2	\$	4	\$	19	\$	—
Service revenue		1,231		1,312		3,591		614		758
Cost of sales-product sales		325		600		1,352		1,095		166
Cost of sales-service revenue		26		220		508		(3,142)		(2,056)
Selling and marketing expense		633		1,209		4,537		8,027		4,606
General and administrative expense		16		45		99		25		(723)
Interest income		5,490		16,215		36,436		38,561		20,330
Interest expense		(4,833)		(180)		(181)		(18)		(135)

- (f) To reverse allocations previously made to the Spincos by IAC in the preparation of each Spincos' historical carve-out financial statements.

General and administrative expense	\$	5,945	\$	7,452	\$	16,684	\$	14,350	\$	14,663
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- (g) To reverse classification and other adjustments made by IAC in the preparation of the Spincos' historical carve-out financial statements.

Service revenue	\$	—	\$	(6,553)	\$	(9,776)	\$	(9,190)	\$	(3,969)
Cost of sales-product sales		59		384		289		699		1,121
Cost of sales-service revenue		(59)		(6,937)		(10,065)		(9,889)		(5,090)
General and administrative expense		8		(1,084)		(912)		641		812
Other operating expense		(8)		124		(48)		(641)		(812)
Goodwill impairment		(1,548)		—		—		—		—
Other (expense) income		(1,797)		—		—		(337)		(327)
Minority interest in losses of unconsolidated subsidiaries		—		—		—		337		327

- (h) To reflect each Spincos' historical income tax (provision) benefit as if it had been a member of IAC's consolidated group for all periods presented.

Income tax (provision) benefit	\$	(10,052)	\$	(4,473)	\$	(63,900)	\$	3,380	\$	29,538
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- (i) Historical (loss) earnings per share have been restated to give effect to the one-for-two reverse stock split.

- (j) To classify the results of operations of EPI as discontinued operations for each of the years in the three-year period ended December 31, 2007.

**IAC/INTERACTIVECORP AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS**

**Year Ending December 31, 2008**  
(In thousands)

	Quarter Ended March 31	Quarter Ended June 30	Six Months Ended June 30
Product sales	\$ 25,912	\$ 30,051	\$ 55,963
Service revenue	344,744	324,113	668,857
Net revenue	370,656	354,164	724,820
Cost of sales—product sales (exclusive of depreciation shown separately below)	18,302	19,257	37,559
Cost of sales—service revenue (exclusive of depreciation shown separately below)	123,339	103,064	226,403
Gross profit	229,015	231,843	460,858
Selling and marketing expense	117,117	108,021	225,138
General and administrative expense	77,808	89,535	167,343
Other operating expense	17,081	12,512	29,593
Amortization of non-cash marketing	2,796	3,071	5,867
Amortization of intangibles	8,062	7,679	15,741
Depreciation	17,259	17,459	34,718
Operating loss	(11,108)	(6,434)	(17,542)
Other income (expense):			
Interest income	8,073	5,703	13,776
Interest expense	(11,978)	(13,886)	(25,864)
Equity in income of unconsolidated affiliates	5,779	6,448	12,227
Other income (expense)	9,817	(98,741)	(88,924)
Total other income (expense), net	11,691	(100,476)	(88,785)
Earnings (loss) from continuing operations before income taxes and minority interest	583	(106,910)	(106,327)
Income tax (provision) benefit	(4,036)	22,274	18,238
Minority interest in losses of consolidated subsidiaries	330	484	814
<b>Loss from continuing operations</b>	<b>\$ (3,123)</b>	<b>\$ (84,152)</b>	<b>\$ (87,275)</b>

Non-cash compensation expense is included in the following line items in the condensed combined statements of operations:

	\$	\$	\$
Cost of sales	1,462	1,436	2,898
Selling and marketing expense	1,599	1,574	3,173
General and administrative expense	15,779	15,556	31,335
Other operating expense	46	45	91
Total non-cash compensation expense	<u>\$ 18,886</u>	<u>\$ 18,611</u>	<u>\$ 37,497</u>

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**IAC/INTERACTIVECORP AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS**

**Year Ended December 31, 2007**  
(In thousands)

	Quarter Ended March 31	Quarter Ended June 30	Quarter Ended September 30	Quarter Ended December 31
Product sales	\$ 19,377	\$ 21,547	\$ 22,399	\$ 30,067
Service revenue	280,391	297,026	312,962	348,813
Net revenue	299,768	318,573	335,361	378,880
Cost of sales—product sales (exclusive of depreciation shown separately below)	13,682	15,343	15,379	20,503
Cost of sales—service revenue (exclusive of depreciation shown separately below)	107,019	112,363	125,265	144,767
Gross profit	179,067	190,867	194,717	213,610
Selling and marketing expense	100,738	100,652	81,639	108,493
General and administrative expense	63,626	60,906	64,910	84,109
Other operating expense	11,047	10,101	12,029	13,251
Amortization of non-cash marketing	507	23,501	9,072	16,590
Amortization of intangibles	8,027	8,010	10,267	9,429
Depreciation	14,169	14,678	15,107	15,907
Operating (loss) income	(19,047)	(26,981)	1,693	(34,169)
Other income (expense):				
Interest income	17,235	17,109	13,644	10,943
Interest expense	(14,529)	(15,228)	(14,919)	(14,378)
Gain on sale of VUE interests	—	—	—	16,669
Equity in income of unconsolidated affiliates	6,982	5,676	3,885	5,809
Other income	818	8,061	10,295	16,342

Total other income, net	10,506	15,618	12,905	35,385
(Loss) earnings from continuing operations before income taxes and minority interest	(8,541)	(11,363)	14,598	1,216
Income tax benefit (provision)	2,709	5,058	(11,132)	1,044
Minority interest in (income) losses of consolidated subsidiaries	(127)	165	1,452	524
<b>(Loss) earnings from continuing operations</b>	<b>\$ (5,959)</b>	<b>\$ (6,140)</b>	<b>\$ 4,918</b>	<b>\$ 2,784</b>

Non-cash compensation expense is included in the following line items in the condensed combined statements of operations:

Cost of sales	\$ 1,343	\$ 1,390	\$ 1,285	\$ 1,634
Selling and marketing expense	1,471	1,521	1,405	1,789
General and administrative expense	14,891	15,019	13,902	17,754
Other operating expense	45	45	43	48
Total non-cash compensation expense	<u>\$ 17,750</u>	<u>\$ 17,975</u>	<u>\$ 16,635</u>	<u>\$ 21,225</u>

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**IAC/INTERACTIVECORP AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS (Continued)**

**Year Ended December 31, 2007**  
**(In thousands)**

	Quarter Ended March 31	Six Months Ended June 30	Nine Months Ended September 30	Year Ended December 31
Product sales	\$ 19,377	\$ 40,924	\$ 63,323	\$ 93,390
Service revenue	280,391	577,417	890,379	1,239,192
Net revenue	299,768	618,341	953,702	1,332,582
Cost of sales—product sales (exclusive of depreciation shown separately below)	13,682	29,025	44,404	64,907
Cost of sales—service revenue (exclusive of depreciation shown separately below)	107,019	219,382	344,647	489,414
Gross profit	179,067	369,934	564,651	778,261
Selling and marketing expense	100,738	201,390	283,029	391,522
General and administrative expense	63,626	124,532	189,442	273,551
Other operating expense	11,047	21,148	33,177	46,428
Amortization of non-cash marketing	507	24,008	33,080	49,670
Amortization of intangibles	8,027	16,037	26,304	35,733
Depreciation	14,169	28,847	43,954	59,861
Operating loss	(19,047)	(46,028)	(44,335)	(78,504)
Other income (expense):				
Interest income	17,235	34,344	47,988	58,931
Interest expense	(14,529)	(29,757)	(44,676)	(59,054)
Gain on sale of VUE interests	—	—	—	16,669
Equity in income of unconsolidated affiliates	6,982	12,658	16,543	22,352
Other income	818	8,879	19,174	35,516
Total other income, net	10,506	26,124	39,029	74,414
Loss from continuing operations before income taxes and minority interest	(8,541)	(19,904)	(5,306)	(4,090)
Income tax benefit (provision)	2,709	7,767	(3,365)	(2,321)
Minority interest in (income) losses of consolidated subsidiaries	(127)	38	1,490	2,014
<b>Loss from continuing operations</b>	<b>\$ (5,959)</b>	<b>\$ (12,099)</b>	<b>\$ (7,181)</b>	<b>\$ (4,397)</b>

Non-cash compensation expense is included in the following line items in the condensed combined statements of operations:

Cost of sales	\$ 1,343	\$ 2,733	\$ 4,018	\$ 5,652
Selling and marketing expense	1,471	2,992	4,397	6,186
General and administrative expense	14,891	29,910	43,812	61,566
Other operating expense	45	90	133	181
Total non-cash compensation expense	<u>\$ 17,750</u>	<u>\$ 35,725</u>	<u>\$ 52,360</u>	<u>\$ 73,585</u>

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**IAC/INTERACTIVECORP AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS**

**Year Ended December 31, 2006**  
**(In thousands)**

	Quarter Ended March 31	Quarter Ended June 30	Quarter Ended September 30	Quarter Ended December 31
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Product sales	\$ 7,543	\$ 13,599	\$ 14,370	\$ 20,509
Service revenue	209,392	232,720	240,709	261,751
Net revenue	<u>216,935</u>	<u>246,319</u>	<u>255,079</u>	<u>282,260</u>
Cost of sales—product sales (exclusive of depreciation shown separately below)	5,796	10,222	10,629	14,887
Cost of sales—service revenue (exclusive of depreciation shown separately below)	73,500	80,795	80,007	93,244
Gross profit	<u>137,639</u>	<u>155,302</u>	<u>164,443</u>	<u>174,129</u>
Selling and marketing expense	82,389	83,926	71,386	84,819
General and administrative expense	58,909	64,788	60,352	66,306
Other operating expense	8,089	8,531	10,806	10,261
Amortization of non-cash marketing	8,464	9,532	14,629	4,500
Amortization of intangibles	14,578	14,827	5,054	7,769
Depreciation	12,962	12,711	14,046	13,185
Operating loss	<u>(47,752)</u>	<u>(39,013)</u>	<u>(11,830)</u>	<u>(12,711)</u>
Other income (expense):				
Interest income	16,856	17,364	13,966	15,566
Interest expense	(14,523)	(15,181)	(14,230)	(13,943)
Equity in income of unconsolidated affiliates	8,297	7,491	7,487	8,052
Other (expense) income	(4,572)	6,235	4,656	(8,075)
Total other income, net	<u>6,058</u>	<u>15,909</u>	<u>11,879</u>	<u>1,600</u>
(Loss) earnings from continuing operations before income taxes and minority interest	(41,694)	(23,104)	49	(11,111)
Income tax benefit	3,640	577	4,037	40,207
Minority interest in losses (income) of consolidated subsidiaries	35	876	98	(242)
<b>(Loss) earnings from continuing operations</b>	<u>\$ (38,019)</u>	<u>\$ (21,651)</u>	<u>\$ 4,184</u>	<u>\$ 28,854</u>

Non-cash compensation expense is included in the following line items in the condensed combined statements of operations:

Cost of sales	\$ 1,541	\$ 1,620	\$ 801	\$ 1,109
Selling and marketing expense	1,503	1,772	877	1,212
General and administrative expense	15,454	18,455	9,818	13,086
Other operating expense	17	36	26	34
Total non-cash compensation expense	<u>\$ 18,515</u>	<u>\$ 21,883</u>	<u>\$ 11,522</u>	<u>\$ 15,441</u>

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**IAC/INTERACTIVECORP AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS (Continued)**

**Year Ended December 31, 2006**  
**(In thousands)**

	Quarter Ended March 31	Six Months Ended June 30	Nine Months Ended September 30	Year Ended December 31
Product sales	\$ 7,543	\$ 21,142	\$ 35,512	\$ 56,021
Service revenue	209,392	442,112	682,821	944,572
Net revenue	<u>216,935</u>	<u>463,254</u>	<u>718,333</u>	<u>1,000,593</u>
Cost of sales—product sales (exclusive of depreciation shown separately below)	5,796	16,018	26,647	41,534
Cost of sales—service revenue (exclusive of depreciation shown separately below)	73,500	154,295	234,302	327,546
Gross profit	<u>137,639</u>	<u>292,941</u>	<u>457,384</u>	<u>631,513</u>
Selling and marketing expense	82,389	166,315	237,701	322,520
General and administrative expense	58,909	123,697	184,049	250,355
Other operating expense	8,089	16,620	27,426	37,687
Amortization of non-cash marketing	8,464	17,996	32,625	37,125
Amortization of intangibles	14,578	29,405	34,459	42,228
Depreciation	12,962	25,673	39,719	52,904
Operating loss	<u>(47,752)</u>	<u>(86,765)</u>	<u>(98,595)</u>	<u>(111,306)</u>
Other income (expense):				
Interest income	16,856	34,220	48,186	63,752
Interest expense	(14,523)	(29,704)	(43,934)	(57,877)
Equity in income of unconsolidated affiliates	8,297	15,788	23,275	31,327
Other (expense) income	(4,572)	1,663	6,319	(1,756)
Total other income, net	<u>6,058</u>	<u>21,967</u>	<u>33,846</u>	<u>35,446</u>
Loss from continuing operations before income taxes and minority interest	(41,694)	(64,798)	(64,749)	(75,860)
Income tax benefit	3,640	4,217	8,254	48,461
Minority interest in losses of consolidated subsidiaries	35	911	1,009	767
<b>Loss from continuing operations</b>	<u>\$ (38,019)</u>	<u>\$ (59,670)</u>	<u>\$ (55,486)</u>	<u>\$ (26,632)</u>

Non-cash compensation expense is included in the following line items in the condensed combined statements of operations:

Cost of sales	\$	1,541	\$	3,161	\$	3,962	\$	5,071
Selling and marketing expense		1,503		3,275		4,152		5,364
General and administrative expense		15,454		33,909		43,727		56,813
Other operating expenses		17		53		79		113
Total non-cash compensation expense	\$	<u>18,515</u>	\$	<u>40,398</u>	\$	<u>51,920</u>	\$	<u>67,361</u>

[Letterhead of Wachtell, Lipton, Rosen &amp; Katz]

August 20, 2008

IAC/InterActiveCorp  
 555 West 18<sup>th</sup> Street  
 New York, New York 10011

Ladies and Gentlemen:

We have acted as special counsel to IAC/InterActiveCorp, a Delaware corporation ("IAC"), in connection with the transactions contemplated by the Separation and Distribution Agreement (the "Separation Agreement"), dated as of the date hereof, by and among IAC, Ticketmaster, a Delaware corporation and a wholly-owned subsidiary of IAC ("TM Spinco"), Interval Leisure Group, Inc. a Delaware corporation and a wholly-owned subsidiary of IAC ("Interval Spinco"), HSN, Inc., a Delaware corporation and a wholly-owned subsidiary of IAC ("HSN Spinco"), and Tree.com, Inc., a Delaware corporation and a wholly-owned subsidiary of IAC ("Tree Spinco"), together with TM Spinco, Interval Spinco and HSN Spinco, the "Spinco's", and each of the Spinco's, a "Spinco"). At your request, we are rendering our opinion as to certain United States federal income tax consequences of the Distributions contemplated by the Separation Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Separation Agreement.

In providing our opinion, we have reviewed: (i) the Separation Agreement; (ii) the agreements identified in clauses (a) through (c) of the definition of "Ancillary Agreements"; (iii) the registration statement on Form S-1, as amended through the date hereof, and the exhibits thereto of each Spinco (the "Forms S-1"); (iv) IAC's request for rulings submitted to the Internal Revenue Service on April 11, 2008, as supplemented through the date hereof, including all exhibits and appendices thereto (the "Ruling Request"), in connection with

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the transactions contemplated by the Separation Agreement; (v) certain resolutions adopted by the IAC board of directors and the board of directors of each Spinco; (vi) a letter, dated as of the date hereof, from one of IAC's financial advisors addressed to the IAC board of directors and to us, substantiating certain of the corporate business purposes for the Distributions (the "Banker Letter"); (vii) a letter, dated as of the date hereof, from each of IAC, TM Spinco, Interval Spinco, HSN Spinco and Tree Spinco substantiating certain of the corporate business purposes of the Distributions (the "Fit and Focus Letters"); (viii) a representation letter, dated as of the date hereof, from IAC, TM Spinco, Interval Spinco, HSN Spinco and Tree Spinco (the "Representation Letter"); and (viii) such other documents, records and papers as we have deemed necessary or appropriate in order to give the opinion set forth herein.

For purposes of the opinion set forth below, we have assumed: (i) that the statements contained in the Banker Letter and the Fit and Focus Letters are true and correct, and the statements and representations contained in the Representation Letter delivered in connection herewith and in the Ruling Request are true, complete, and correct as of the date hereof and will remain true, complete, and correct at all times up to and including the Distributions; (ii) that all statements and representations made to the knowledge or belief of any person or entity or with comparable qualification are true, complete, and correct as if made without such qualification; (iii) that all documents submitted to us as originals are authentic and that all documents submitted to us as copies conform to the originals; (iv) that the transactions contemplated by the Separation Agreement will be consummated as described therein (and no covenants or conditions set forth therein and affecting this opinion will be waived or modified) and in the Ruling Request; (v) that IAC, TM Spinco, Interval Spinco, HSN Spinco, and Tree Spinco will treat the Distributions for federal income tax purposes in a manner consistent with the opinion set forth below; (vi) that the information and statements contained in the Forms S-1, IAC's proxy statement relating to the annual meeting of stockholders held on August 1, 2008, and IAC's Offer to Purchase and Consent Solicitation Statement and related Letter of Transmittal relating to IAC's offer to purchase for cash (the "Offer") any and all of its outstanding 7% Senior Notes due 2013 (the "IAC Notes"), as amended through the date hereof, are true, complete, and correct; and (vii) that all applicable reporting requirements have been or will be satisfied. If any of the above described assumptions is untrue for any reason, or if the transactions are consummated in a manner that is different from the manner described in the Separation Agreement or in the Ruling Request, our opinion as expressed below may be adversely affected.

Based upon and subject to the foregoing, it is our opinion that, under presently applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and the rules and regulations promulgated thereunder:

1. The TM Distribution will be a transaction described in Section 355(a) and/or Section 368(a)(1)(D) of the Code;

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2. No gain or loss will be recognized by IAC by reason of the TM Distribution, other than with respect to any "excess loss account" or "intercompany transaction" required to be taken into account under Treasury Regulations relating to consolidated returns;
  3. No gain or loss will be recognized by (and no amount will be includible in the income of) any holder of IAC Common Stock or IAC Class B Common Stock by reason of such holder's receipt of TM Common Stock in the TM Distribution, except with respect to cash received in lieu of fractional shares of TM Common Stock;
  4. The transfer by IAC of the Vacations Business to Interval Spinco (the "Interval Contribution") and the assumption by Interval Spinco of related liabilities, if any, followed by the distribution by IAC of Interval Common Stock to holders of IAC Common Stock and IAC Class B Common Stock pursuant to the Interval Distribution will qualify as a reorganization under Sections 355 and 368(a)(1)(D) of the Code;
  5. No gain or loss will be recognized by IAC or Interval Spinco by reason of the Interval Contribution or the Interval Distribution, other than with respect to any "excess loss account" or "intercompany transaction" required to be taken into account under Treasury Regulations relating to consolidated returns;



6. No gain or loss will be recognized by (and no amount will be includible in the income of) any holder of IAC Common Stock or IAC Class B Common Stock by reason of such holder's receipt of Interval Common Stock in the Interval Distribution, except with respect to cash received in lieu of fractional shares of Interval Common Stock;
7. The transfer by IAC of the Retailing Business to HSN Spinco (the "HSN Contribution") and the assumption by HSN Spinco of related liabilities, if any, followed by the distribution by IAC of HSN Common Stock to holders of IAC Common Stock and IAC Class B Common Stock pursuant to the HSN Distribution will qualify as a reorganization under Sections 355 and 368(a)(1)(D) of the Code;
8. No gain or loss will be recognized by IAC or HSN Spinco by reason of the HSN Contribution or the HSN Distribution, other than with respect to any "excess loss account" or "intercompany transaction" required to be taken into account under Treasury Regulations relating to consolidated returns;
9. No gain or loss will be recognized by IAC with respect to cash received from HSN Spinco in connection with the HSN Contribution, provided that such cash is transferred to creditors of IAC pursuant to the plan of reorganization, including to beneficial owners of IAC Notes pursuant to the Offer;

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10. No gain or loss will be recognized by (and no amount will be includible in the income of) any holder of IAC Common Stock and IAC Class B Common Stock by reason of such holder's receipt of HSN Common Stock in the HSN Distribution, except with respect to cash received in lieu of fractional shares of HSN Common Stock;
11. The transfer by IAC of the Lending and Real Estate Business to Tree Spinco (the "Tree Contribution") and the assumption by Tree Spinco of related liabilities, if any, followed by the distribution by IAC of Tree Common Stock to holders of IAC Common Stock and IAC Class B Common Stock pursuant to the Tree Distribution will qualify as a reorganization under Sections 355 and 368(a)(1)(D);
12. No gain or loss will be recognized by IAC or Tree Spinco by reason of the Tree Contribution or the Tree Distribution, other than with respect to any "excess loss account" or "intercompany transaction" required to be taken into account under Treasury Regulations relating to consolidated returns; and
13. No gain or loss will be recognized by (and no amount will be includible in the income of) any holder of IAC Common Stock or IAC Class B Common Stock by reason of such holder's receipt of Tree Common Stock in the Tree Distribution, except with respect to cash received in lieu of fractional shares of Tree Common Stock.

This opinion relates solely to the federal income tax consequences of the Distributions and certain related matters. We render no opinion as to: (i) the federal income tax consequences of any conditions existing at the time of, or resulting from, the Distributions that are not specifically addressed above; (ii) except as expressly provided above with respect to the Interval Contribution, the HSN Contribution and the Tree Contribution, the federal income tax consequences of any internal restructuring steps or other transactions that occurred or will occur in connection with or in anticipation of the Distributions or any other transactions that occurred or will occur in connection with the Distributions, including, without limitation, whether any such transaction gives rise to an "excess loss account" or is an "intercompany transaction"; (iii) except as expressly provided in item 9 above, the federal income tax treatment of any distribution received by IAC; (iv) the federal income tax consequences of the transfer by IAC of the stock of FLMG Holdings Corp. to TM Spinco in exchange for intercompany receivables held by TM Spinco; (v) the federal income tax consequences of the issuance of non-voting preferred stock of LendingTree Holdings Corp. to one or more individuals in exchange for services; (vi) the federal income tax consequences of non-arm's length payments (if any) made in connection with the transactions; and (vii) the tax consequences of the Distributions or any related transactions under state, local, or foreign tax laws.

Our opinion is based on current provisions of the Code, Treasury Regulations promulgated thereunder, published pronouncements of the Internal Revenue Service and case law, any of which may be changed at any time with retroactive effect. Any change in applicable

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laws or the facts and circumstances surrounding the transactions, or any inaccuracy in the statements, facts, assumptions or representations upon which we have relied, may affect the continuing validity of our opinion as set forth herein. We assume no responsibility to inform IAC of any such change or inaccuracy that may occur or come to our attention.

This opinion may not be applicable to holders of shares of IAC common stock who received their IAC common stock pursuant to the exercise of employee stock options or otherwise as compensation or who are not citizens or residents of the United States, or the distribution of shares to such holders. In addition, this opinion may not be applicable to holders of shares of IAC common stock who are subject to special treatment under the Code (such as insurance companies, financial institutions, dealers in securities, or tax-exempt organizations).

We are furnishing this opinion solely to IAC in connection with the transactions contemplated by the Separation Agreement, and it is not to be relied upon, used, quoted, or otherwise referred to for any other purpose or by any other party without our prior consent. We hereby consent to the filing of this opinion with the Securities and Exchange Commission as an exhibit to Form 8-K of IAC. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended.

Very truly yours,

/s/ Wachtell, Lipton, Rosen & Katz

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