

other person, (D) issuing equity securities beyond certain thresholds, (E) repurchasing our shares other than in certain open-market transactions, or (F) taking or failing to take any other action that would cause the spin-off to fail to qualify as a transaction that is generally tax-free for U.S. federal income tax purposes.

Services agreement

We will also enter into a services agreement, pursuant to which IAC and we currently expect that IAC will provide some combination of the following services, among others, to us following completion of this offering:

- assistance with certain legal, finance, internal audit, treasury, information technology support, insurance and tax affairs, including assistance with certain public company reporting obligations;
- payroll processing services;
- tax compliance services; and
- such other services as to which IAC and we may agree.

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Under the services agreement, we will also provide IAC informational technology services and such other services as to which IAC and we 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 this offering and subject to increase upon increases in the actual cost to the service provider. In general, the services to be provided under the services agreement will begin on the date of the completion of this offering and will continue for one year, which will automatically renew, subject to IAC's continued ownership of a majority of the combined voting power of our voting stock and any subsequent extension or truncation agreed to by us and IAC. We or IAC may terminate the agreement with respect to one or more particular services upon such notice as will be provided for in the services agreement.

Employee matters agreement

The employee matters agreement will cover a wide range of compensation and benefit issues related to this offering. In general, under the employee matters agreement:

- IAC will assume or retain: (1) all liabilities with respect to the IAC employees, former IAC employees and their dependents and beneficiaries under all IAC employee benefit plans, and (2) all liabilities with respect to the employment or termination of employment of all IAC employees and former IAC employees (other than our employees and our former employees); and
- we will assume or retain: (1) all liabilities under our employee benefit plans, and (2) all liabilities with respect to the employment or termination of employment of our employees and former employees of our businesses.

After this offering, we will continue to participate in IAC's U.S. health and welfare plans, 401(k) plan and flexible benefits plan and will reimburse IAC for the costs of such participation. In the event IAC no longer retains shares representing at least 80% of the aggregate voting power of shares entitled to vote in the election of our board of directors, including in the event of a subsequent spin-off of IAC's retained interest in us, we no longer will participate in IAC's employee benefit plans, but will have established our own employee benefit plans that will be substantially similar to the plans sponsored by IAC prior to the spin-off.

The employee matters agreement also will provide that we will reimburse IAC for the cost of any IAC equity awards held by our employees and former employees; IAC may elect to receive payment either in cash or in shares of our common stock. The agreement further will provide that, with respect to equity awards in certain of our subsidiaries, IAC may elect to cause those awards to be settled in either shares of IAC common stock or in shares of our common stock; to the extent shares of IAC common stock are issued in settlement, we will reimburse IAC for the cost of those shares by issuing IAC additional shares of our common stock.

Under the employee matters agreement, the Compensation Committee of the IAC Board of Directors will have the exclusive authority to determine the treatment of outstanding IAC equity awards in the event of a subsequent spinoff of IAC's retained interest in us and we have agreed to assume any IAC equity awards that are converted into Match equity awards in connection with any such spinoff.

IAC subordinated loan facility

Prior to this offering, we will enter into an uncommitted subordinated loan facility with IAC, or the IAC Subordinated Loan Facility, pursuant to which we may make one or more requests to IAC to borrow funds

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from it. If IAC agrees to fulfill any such borrowing request from us, such indebtedness will be incurred in accordance with the terms of the IAC Subordinated Loan Facility. Any indebtedness outstanding under the IAC Subordinated Loan Facility will be by its terms subordinated in right of payment to the obligations under the Credit Agreement and the Match Notes. Such indebtedness will bear interest at the applicable rate set forth in the pricing grid in the Credit Agreement, which rate is based on our consolidated net leverage ratio at the time of borrowing, plus an additional amount to be agreed. The IAC Subordinated Loan Facility will have a scheduled final maturity date no earlier than 90 days after the maturity date of the Revolving Credit Facility or the latest maturity date in respect of any class of term loans outstanding under the Credit Agreement on the date we enter into such facility. The IAC