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

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**FORM 6-K**

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**Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934**

**For the month of: February 2021**

**Commission File Number: 001-39829**

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**COGNYTE SOFTWARE LTD.**

(Exact Name of registrant as specified in its charter)

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**33 Maskit  
Herzliya Pituach  
4673333, Israel**  
(Address of principal executive office)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F       Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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## **Closing of Spin-Off and Entry into Related Agreements**

On February 1, 2021, Verint Systems Inc. (“Verint”) completed the previously announced spin-off (the “Spin-Off”) of Cognyte Software Ltd. (“Cognyte” or “we,” “us” and “our”), a company limited by shares incorporated under the laws of the State of Israel whose business and operations consist of Verint’s former Cyber Intelligence Solutions™ business (the “Cognyte Business”). The Spin-Off was completed by way of a pro rata distribution (the “Distribution”) on February 1, 2021 of all of the then-issued and outstanding ordinary shares, no par value, of Cognyte (the “Cognyte shares”) to holders of record of Verint’s common stock as of the close of business on January 25, 2021.

As a result of the Distribution, which was effective as of 5:01 p.m. Eastern Time on February 1, 2021 (the “Effective Time”), Cognyte is now an independent, publicly traded company and the Cognyte shares are listed on the Nasdaq Global Select Market (“NASDAQ”) under the symbol “CGNT.” Trading in Cognyte shares is expected to commence on NASDAQ on February 2, 2021.

In connection with the Spin-Off, we entered into certain agreements with Verint, including each of the following:

- a Separation and Distribution Agreement;
- a Tax Matters Agreement;
- an Employee Matters Agreement;
- a limited duration Transition Services Agreement;
- an Intellectual Property Cross License Agreement; and
- a Trademark Cross License Agreement.

Summaries of certain terms of these agreements can be found in the section entitled “Item 7.B. Related Party Transactions—Agreements Between Verint and Us” in the Registration Statement on Form 20-F (File No. 001-39829) (as amended, the “Form 20-F”) filed by Cognyte with the Securities and Exchange Commission, and those summaries are incorporated herein by reference. The summaries are qualified in their entirety by reference to the full text of the Separation and Distribution Agreement, Tax Matters Agreement, Employee Matters Agreement, Transition Services Agreement, Intellectual Property Cross License Agreement and Trademark Cross License Agreement, copies of which are attached as Exhibits 99.1, 99.2, 99.3, 99.4, 99.5 and 99.6, respectively, to this report on Form 6-K and are incorporated herein by reference.

## **Appointment and Resignation of Directors**

In connection with the Spin-Off, and effective as of the Effective Time, Ziv Levi and David Abadi resigned from our Board of Directors (the “Cognyte Board”) and Elad Sharon, Dan Bodner, Richard Nottenburg, Dafna Gruber, Zvika Naggan and Karmit Shilo were appointed to the Cognyte Board, joining Earl Shanks. Dan Bodner was appointed as the Chairman of the Board.

Biographical information for each member of the Cognyte Board can be found in the Form 20-F under “Item 6. Directors, Senior Management and Employees—Item 6.A. Directors and Senior Management—Board of Directors,” which section is incorporated by reference herein.

Effective as of February 1, 2021, the committees of the Cognyte Board are comprised of the following members:

<u>Committee</u>	<u>Members</u>
Audit Committee	Earl Shanks (Chair) Dafna Gruber Zvika Naggan

Compensation Committee

Richard Nottenburg (Chair)

Zvika Naggan

Karmit Shilo

Nominating and Corporate Governance Committee

Earl Shanks (Chair)

Dafna Gruber

Karmit Shilo

### **Appointment of Officers**

In connection with the Spin-Off, Elad Sharon was appointed Chief Executive Officer, David Abadi was appointed as Chief Financial Officer, Miki Migdal was appointed as Chief Business Officer, Amit Daniel was appointed as Chief Marketing Officer, Ziv Levi was appointed as Chief Legal Officer, Marom Ben Menahem was appointed as Chief Revenue Officer, Rini Karlin was appointed as Chief People Officer, and Sharon Chouli was appointed as Chief Customer Officer of the Company, each effective as of the Effective Time.

Biographical information for each member of Cognyte's senior management can be found in the Form 20-F under "Item 6. Directors, Senior Management and Employees—Item 6.A. Directors and Senior Management—Senior Management," which section is incorporated by reference herein.

### **Adoption of Code of Ethics**

On January 13, the Cognyte Board adopted a written Code of Conduct for all directors, officers, employees and representatives, which went into effect as of the Effective Time. A copy of the code is available on Cognyte's website at [www.cognyte.com/code-of-conduct](http://www.cognyte.com/code-of-conduct).

### **Change in Control**

Immediately prior to the Spin-Off, Cognyte was a wholly owned subsidiary of Verint. As of the Effective Time, Cognyte is now an independent, publicly traded company, and Verint has no ownership interest in Cognyte.

### **Cognyte Software Ltd. 2021 Share Incentive Plan**

As described in the Form 20-F, the Cognyte Board and Cognyte's shareholders have adopted the Cognyte Software, Ltd. 2021 Share Incentive Plan (as subsequently amended or amended and restated, the "Plan"). The Plan will be administered by the Compensation Committee of the Cognyte Board. The Compensation Committee will have authority to grant awards under the Plan, determine the terms and conditions of the awards and interpret the provisions of the Plan and the terms of the agreements evidencing awards granted under the Plan, among other authority described in the Plan. Awards may be granted pursuant to the Plan from time to time within a period of ten (10) years from the date of adoption, which period may be extended from time to time by the Compensation Committee.

The Plan provides for the grant of stock options (including incentive stock options and nonqualified stock options), ordinary shares, restricted shares, restricted share units and other share-based awards. Grants may be evidenced by award agreements, other contractual arrangements and/or resolutions of the Compensation Committee. Adjusted awards may also be granted under the Plan in substitution of awards relating to Verint common stock in connection with the Spin-Off.

Subject to the terms and conditions of the Plan, the maximum number of Cognyte shares available for issuance under the Plan will be equal to the sum of (i) 9,500,000 shares, plus (ii) such number of shares equal to the number of shares of Verint common stock that were issued upon the exercise or vesting of awards granted pursuant to the Verint Systems Inc. Amended and Restated 2015 Long-Term Stock Incentive Plan, Verint Systems Inc. 2019 Long-Term Stock Incentive Plan, and/or any other equity plan used by Verint (collectively, the “Verint Plans”) under Section 102 of the Israeli Tax Ordinance, and which Verint shares, as of the effectiveness of the consummation of the Spin-Off, are held by a trustee appointed in accordance with Section 102 of the Israeli Tax Ordinance, plus (iii) such number of shares that are underlying the awards originally granted to our employees under the Verint Plans that will be adjusted in accordance with the exchange ratio set forth in the Employee Matters Agreement and issued under the Plan upon the effectiveness of the Spin-Off (excluding any awards included in sub-clause (ii) above); provided, however, that no more than 5,000,000 shares may be issued upon the exercise of incentive stock options.

The Compensation Committee may modify or amend the Plan at any time, subject to certain limitations.

**Press Release**

On February 1, 2021, Cognyte issued a press release announcing the closing of the Spin-Off. A copy of the press release is attached hereto as Exhibit 99.8.

**Incorporation by Reference**

This report on Form 6-K and the exhibits hereto shall be deemed to be incorporated by reference in the registration statement of Cognyte on [Form S-8](#) (File No. 333-252565), filed with the SEC on January 29, 2021, to the extent not superseded by documents or reports subsequently filed.

## EXHIBIT INDEX

<u>Exhibit</u>	<u>Title</u>
99.1	<a href="#"><u>Separation and Distribution Agreement, dated February 1, 2021, by and between Cognyte Software Ltd. and Verint Systems Inc.</u></a>
99.2	<a href="#"><u>Tax Matters Agreement, dated February 1, 2021, by and between Cognyte Software Ltd. and Verint Systems Inc.</u></a>
99.3	<a href="#"><u>Employee Matters Agreement, dated February 1, 2021, by and between Cognyte Software Ltd. and Verint Systems Inc.</u></a>
99.4	<a href="#"><u>Transition Services Agreement, dated February 1, 2021, by and between Cognyte Software Ltd. and Verint Systems Inc.</u></a>
99.5	<a href="#"><u>Intellectual Property Cross License Agreement, dated February 1, 2021, by and between Cognyte Software Ltd. and Verint Systems Inc.</u></a>
99.6	<a href="#"><u>Trademark Cross License Agreement, dated February 1, 2021, by and between Cognyte Software Ltd. and Verint Systems Inc.</u></a>
99.7	<a href="#"><u>Cognyte Software Ltd. 2021 Share Incentive Plan (incorporated by reference to Exhibit 4.3 to our Registration Statement on Form S-8 filed on January 29, 2021)</u></a>
99.8	<a href="#"><u>Press Release</u></a>

### **Forward-Looking Statements**

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding the Spin-Off of Cognyte. These forward-looking statements are based on Cognyte's current assumptions, expectations and beliefs and involve substantial risks and uncertainties that may cause results, performance or achievement to materially differ from those expressed or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: (a) uncertainties regarding the impact of changes in macroeconomic and/or global conditions, including as a result of slowdowns, recessions, economic instability, political unrest, armed conflicts, natural disasters or outbreaks of disease, such as the COVID-19 pandemic; (b) customer delay or cancellation of orders and counterparty default due to the COVID-19 pandemic or otherwise; (c) continuing restrictions resulting from the COVID-19 pandemic or actions taken in response to the pandemic adversely impacting our operations or our ability to fulfill orders, complete implementations, or recognize revenue; (d) the mishandling or perceived mishandling of sensitive, confidential or classified information, including information that may belong to our customers or other third parties, and with security vulnerabilities or lapses, including cyber-attacks, information technology system breaches, failures, or disruptions; (e) the challenges of evolving industry standards; (f) aggressive competition in all of our markets; (g) challenges associated with our ability to accurately forecast revenue and expenses; (h) changing regulatory environments relating to our operations, the products and services we offer, and/or the use of our solutions by our customers; (i) risks that our intellectual property rights may not be adequate to protect our business or assets or that others may make claims on our intellectual property; (j) changing tax laws and regulations, tax rates, and the continuing availability of expected tax benefits; and (k) market volatility.

A detailed discussion of these factors and other risks that affect Cognyte's business is included in filings Cognyte makes with the SEC from time to time, including the Form 20-F, particularly under the heading "Item 3.D. Risk Factors." Copies of these filings are available online from the SEC. All forward-looking statements in this report on Form 6-K are based on information currently available to Cognyte, and we assume no obligation to update these forward-looking statements in light of new information or future events.

**SIGNATURES**

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

**COGNYTE SOFTWARE LTD.**

(Registrant)

February 1, 2021

By: /s/ Ziv Levi

Ziv Levi

Chief Legal Officer

SEPARATION AND DISTRIBUTION AGREEMENT

BY AND BETWEEN

VERINT SYSTEMS INC.

AND

COGNYTE SOFTWARE LTD.

DATED FEBRUARY 1, 2021

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EXHIBITS

Exhibit A	Form of Revised SpinCo Organizational Documents
Exhibit B	Form of Employee Matters Agreement
Exhibit C	Form of Tax Matters Agreement
Exhibit D	Form of Transition Services Agreement
Exhibit E	Form of Trademark Cross License Agreement
Exhibit F	Form of Intellectual Property Cross License Agreement

## SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT (this “Agreement”), dated February 1, 2021, is by and between Verint Systems Inc., a Delaware corporation (“VSI”), and Cognyte Software Ltd., a company organized under the laws of the State of Israel (“SpinCo”). Capitalized terms used herein and not otherwise defined will have the respective meanings assigned to them in Article I.

### R E C I T A L S

WHEREAS, the board of directors of VSI (the “VSI Board”) has determined that it is in the best interests of VSI and its stockholders to create a new publicly traded company that will operate the SpinCo Business;

WHEREAS, in anticipation of the Distribution, VSI transferred the Canadian assets of the SpinCo Business to a newly-formed, wholly-owned subsidiary of VSI, Cognyte Canada Inc., a Québec corporation (“New CIS Canada”);

WHEREAS, in furtherance of the foregoing, the VSI Board has determined that it is appropriate and desirable to make a distribution, on a pro rata basis and in accordance with a distribution ratio to be determined by the VSI Board, to holders of VSI Shares on the Record Date of all the outstanding SpinCo Shares owned by VSI (the “Distribution”), and (i) prior to the Distribution, complete the transfer of all of the equity interests of New CIS Canada owned by VSI from VSI to SpinCo (the “New CIS Canada Transfer”) and (ii) immediately following the Distribution, complete the VSI LP Transfer (the New CIS Canada Transfer and VSI LP Transfer, collectively, the “Separation”, and the time at which such Separation is completed, the “Separation Completion Time”);

WHEREAS, to effect the Separation, the Parties have determined that, subject to the terms and conditions herein, it would be desirable for VSI and certain of its Subsidiaries to undertake the Internal Restructuring and to contribute, assign, transfer, convey and deliver (directly or indirectly) to SpinCo or other members of the SpinCo Group, as applicable, the SpinCo Distributed Assets in exchange for (a) the assumption by SpinCo or the other members of the SpinCo Group, as applicable, of the SpinCo Distributed Liabilities and (b) VSI’s receipt of additional SpinCo Shares, all as provided herein;

WHEREAS, SpinCo has been incorporated solely for these purposes and has not engaged in activities except in preparation for the Separation and the Distribution;

WHEREAS, for U.S. federal income tax purposes, the Distribution is intended to qualify as a transaction that is generally tax-free under Section 355 of the Code to VSI and VSI’s stockholders;

WHEREAS, for Israeli tax purposes, the Distribution and Separation, pursuant to and subject to the terms of the applicable ITA Ruling (defined below), will generally be tax-free to SpinCo, VSI and VSI’s stockholders and the Internal Restructuring is intended generally not to be taxable;

WHEREAS, SpinCo and VSI have prepared or will prepare, and SpinCo has filed or will file with the SEC, the Form 20-F, which sets forth disclosure concerning SpinCo, the Separation and the Distribution;

WHEREAS, each of VSI and SpinCo has determined that it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and the Distribution and certain other agreements that will govern certain matters relating to the Separation and the Distribution and the relationship of VSI, SpinCo and the other members of their respective Groups following the Distribution;

WHEREAS, the Parties acknowledge that this Agreement and the Ancillary Agreements represent the integrated agreement of the Parties relating to the Separation and the Distribution, are being entered into together, and would not have been entered into independently; and

WHEREAS, (a) the VSI Board has (i) determined that the Internal Restructuring, Separation, Distribution and the other transactions contemplated by this Agreement and the Ancillary Agreements have a valid business purpose, are in furtherance of and consistent with its business strategy and are in the best interests of VSI and its stockholders and (ii) approved this Agreement and each of the Ancillary Agreements and (b) the board of directors of SpinCo has approved this Agreement and each of the Ancillary Agreements to which SpinCo is a party.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

## ARTICLE I

### DEFINITIONS

For the purpose of this Agreement, the following terms will have the following meanings:

“Action” means any demand, action, claim, counterclaim, dispute, suit, countersuit, arbitration, hearing, inquiry, subpoena, proceeding, examination or investigation of any nature (whether criminal, civil, legislative, administrative, arbitral, regulatory, prosecutorial, appellate or otherwise) by or before any Governmental Authority or any arbitration or mediation tribunal.

“Affiliate” means, when used with respect to a specified Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, “control” (including with correlative meanings, “controlled by” and “under common control with”), when used with respect to any specified Person 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. It is expressly agreed that, prior to, at and after the Effective Time, for purposes of this Agreement and the Ancillary Agreements, (a) no member of the SpinCo Group will be deemed to be an Affiliate of any member of the CES Group, and (b) no member of the CES Group will be deemed to be an Affiliate of any member of the SpinCo Group.

“Agent” means the trust company or bank duly appointed to act as distribution agent, transfer agent and registrar for the SpinCo Shares in connection with the Distribution.

“Agreement” has the meaning set forth in the Preamble.

“Ancillary Agreements” means all agreements (other than this Agreement) entered into by the Parties or members of their respective Groups (but as to which no Third Party is a party) in connection with the Separation, the Distribution or the other transactions contemplated by this Agreement, including the Employee Matters Agreement, the Tax Matters Agreement, the Transition Services Agreement, the Trademark Cross License Agreement, the Intellectual Property Cross License Agreement, the Transfer and Assignment Agreement and the Transfer Documents.

“Approvals or Notifications” means any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any Third Party, including any Governmental Authority.

“Assets” means, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other Third Parties or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, 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 such Person, including rights and benefits pursuant to any Contract, license, permit, indenture, note, bond, mortgage, agreement, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement.

“Certification” has the meaning set forth in Section 2.11.

“CES Accounts” has the meaning set forth in Section 2.7(a).

“CES Assets” means all Assets of VSI, SpinCo or any other member of their respective Groups as of the Effective Time, other than the SpinCo Assets, it being understood that the CES Assets will include (without duplication) the assets set forth on Schedule 1.1(a).

“CES Business” means (a) the business and operations conducted prior to the Separation Completion Time comprising what is referred to in the VSI 10-K as the Customer Engagement segment; and (b) any other business (other than referred to in clause (a) of the definition of SpinCo Business) directly conducted by any member of the CES Group as of immediately prior to the Separation Completion Time.

“CES Group” means VSI and each Person that is a Subsidiary of VSI (other than SpinCo and any other member of the SpinCo Group).

“CES Indemnitees” has the meaning set forth in Section 4.2.

“CES Liabilities” means all short term and long-term liabilities relating to or arising from the CES Business or the CES Assets, it being understood that the CES Liabilities will include (without limitation or duplication):

(a) all Liabilities of VSI and the other members of the CES Group, other than any SpinCo Liabilities;

(b) all Liabilities relating to, arising out of or resulting from 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, with respect to all information contained in the Form 20-F or any other Disclosure Documents relating to the CES Business;

(c) the costs and expenses allocated to VSI pursuant to Section 10.9;

(d) all Liabilities assumed or allocated to any member of the CES Group pursuant to any of the Ancillary Agreements, pursuant to the terms of such Ancillary Agreement;

(e) all Liabilities associated with the CES Specified Actions; and

(f) the Liabilities set forth on Schedule 1.1(b).

“CES Portion” has the meaning set forth in Section 2.6.

“CES Specified Actions” means the Actions specified as “Remainco liabilities” on Schedule 1.1(f).

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

“Contract” means any agreement, understanding, contract, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking (whether written or oral and whether express or implied) that is legally binding, but excluding this Agreement and any Ancillary Agreement except as otherwise provided in this Agreement or the applicable Ancillary Agreement.

“De Minimis Amount” has the meaning set forth in Section 6.3.

“Disclosure Document” means any registration statement under the Exchange Act (including the Form 20-F) filed with the SEC by or on behalf of VSI or SpinCo and any information statement, prospectus, offering memorandum, offering circular, periodic report or similar disclosure document delivered to VSI’s stockholders, whether or not filed with the SEC or any other Governmental Authority, in each case which describes the Separation or the Distribution or the SpinCo Group or primarily relates to the transactions contemplated hereby.

“Dispute” has the meaning set forth in Section 7.1.

“Dispute Notice” has the meaning set forth in Section 7.2(a).

“Distribution” has the meaning set forth in the Recitals.

“Distribution Time” means 5:01 p.m. Eastern Standard Time, on the Spin-off Date.

“Effective Time” means immediately after the Distribution Time.

“Employee Matters Agreement” means the Employee Matters Agreement to be entered into between VSI and SpinCo in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement, substantially in the form attached as Exhibit B.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

“Force Majeure” means, with respect to a Party, an event beyond the reasonable control of such Party (or any Person acting on its behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or such Person), or, if it would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, embargoes, epidemics, pandemics, war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any significant and prolonged failure in electrical or air conditioning equipment. Notwithstanding the foregoing, (i) the receipt by a Party of an unsolicited takeover offer or other acquisition proposal and such Party’s response thereto and (ii) any change after the date of this Agreement in any Law applicable to VSI, SpinCo, or any member of their respective Groups, in either case even if unforeseen or unavoidable, will not be deemed an event of Force Majeure.

“Form 20-F” means the registration statement on Form 20-F (or other appropriate form) filed by SpinCo with the SEC to effect the registration of SpinCo Shares pursuant to Section 12(b) of the Exchange Act in connection with the Distribution, as such registration statement may be amended or supplemented from time to time prior to the Distribution.

“Governmental Approvals” means any Approvals or Notifications to be made to, or obtained from, any Governmental Authority.

“Governmental Authority” means any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state,



provincial, local, domestic, foreign, supranational or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, a government and any executive official thereof.

“Group” means either the SpinCo Group or the CES Group, as the context requires. Reference to a Party’s respective Group means (a) the CES Group, in the case of VSI and (b) the SpinCo Group, in the case of SpinCo.

“Indemnifying Party” has the meaning set forth in Section 4.4(a).

“Indemnitee” has the meaning set forth in Section 4.4(a).

“Indemnity Payment” has the meaning set forth in Section 4.4(a).

“Insurance Proceeds” means those monies:

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

in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof; provided that with respect to a captive insurance arrangement, Insurance Proceeds will only include amounts received by the captive insurer in respect of any reinsurance arrangement.

“Intellectual Property” means all of the following whether arising under the Laws of any U.S. state, the United States or of any foreign or multinational jurisdiction: (a) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions, (b) trademarks, service marks, trade names, service names, trade dress, logos and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (c) Internet domain names, accounts with Facebook, LinkedIn, Twitter and similar social media platforms, registrations and related rights, (d) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (e) confidential and proprietary information, including trade secrets, invention disclosures, processes and know-how, and (f) any other intellectual property rights.

“Intellectual Property Cross License Agreement” means the Intellectual Property Cross License Agreement to be entered into between VSI and SpinCo in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement, substantially in the form attached as Exhibit F.

“Internal Restructuring” means the internal restructuring steps set forth on Schedule 1.1(c).

“JAMS” means Judicial Arbitration and Mediation Services, Inc.

“Law” means all applicable national, supranational, federal, state, provincial, local or similar laws (including common law), statutes, ordinances, orders, decrees, codes, rules, regulations, policies or guidelines promulgated, or judgments, decisions, orders or arbitration awards, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

“Liabilities” means all debts, guarantees, assurances, commitments, liabilities, responsibilities, Losses, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, interest and obligations of any nature or kind, whether fixed, absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third-Party Claim), demand, Action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any Contract, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

“Linked” has the meaning set forth in Section 2.7(a).

“Losses” means actual losses (including any diminution in value), costs, damages, penalties and expenses (including legal and accounting fees and expenses and costs of investigation and litigation), whether or not involving a Third-Party Claim.

“Mediation Period” has the meaning set forth in Section 7.2(e).

“Mixed Actions” has the meaning set forth in Section 4.12(c).

“NASDAQ” means the NASDAQ Global Select Market.

“New CIS Canada” has the meaning set forth in the Preamble.

“New CIS Canada Transfer” has the meaning set forth in the Preamble.

“Non-Competition Period” has the meaning set forth in Section 8.2(a).

“Party” or “Parties” means a party or the parties to this Agreement.

“Permits” means permits, approvals, authorizations, consents, licenses, exemptions or certificates issued by any Governmental Authority.

“Person” means an individual, a general or limited partnership, a company, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

“Personal Information” means any information relating to an identified or identifiable natural person and other similar terms as defined under applicable Laws.

“Prime Rate” means the rate that *The Wall Street Journal* publishes as its prime rate.

“Privileged Information” means any information, in written, oral, electronic or other tangible or intangible forms, including any communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials protected by the work product doctrine, as to which a Party or any other member of its Group would be entitled to assert or have asserted a privilege or other protection, including the attorney-client and work product privileges.

“Record Date” means the close of business on the date to be determined by the VSI Board as the record date for determining holders of VSI Shares entitled to receive SpinCo Shares pursuant to the Distribution.

“Record Holders” means the holders of record of VSI Shares as of the Record Date.

“Registered Intellectual Property” means any Intellectual Property that is the subject of an application, certificate, filing or registration issued, filed with, or recorded by any Governmental Authority.

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

“Revised SpinCo Organizational Documents” means the revised organizational documents of SpinCo, substantially in the form attached as Exhibit A.

“SEC” means the U.S. Securities and Exchange Commission.

“Security Interest” means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any nature whatsoever.

“Separation” has the meaning set forth in the Recitals.

“Separation Completion Time” has the meaning set forth in the Recitals.

“Shared Contract” means any Contract of any member of either Group entered into prior to the Effective Time that relates to or inures to the benefit of burden of both the

SpinCo Business and the CES Business and either (a) the Parties specifically intended to amend or divide, modify, partially assign or replicate (in whole or in part) the respective rights and obligations under and in respect of such Contract prior to the Separation Completion Time, but were not able to do so prior to the Separation Completion Time or (b) either Party discovers the existence of such Contract prior to the date that is 12 months after the Separation Completion Time and had the Parties given specific consideration to such Contract they would have amended or divided, modified, partially assigned or replicated (in whole or in part) the respective rights and obligations under and in respect of such Contract. For the avoidance of doubt, no Contract which the Parties gave specific consideration to (as described in the first sentence of this definition) prior to the date of this Agreement will be considered a Shared Contract unless the Parties expressly agree otherwise.

“Spin-off Date” means the date of the consummation of the Distribution, which will be determined by the VSI Board in its sole and absolute discretion, and which will be the same date as the Separation Completion Time.

“SpinCo” has the meaning set forth in the Preamble.

“SpinCo Accounts” has the meaning set forth in Section 2.7(a).

“SpinCo Assets” means the following assets (without limitation or duplication):

- (a) the shares of capital stock or other equity interests of each Transferred Entity and corporate books and records of each Transferred Entity;
- (b) Contracts used or held for use primarily in the SpinCo Business, unless otherwise provided on Schedule 1.1(d);
- (c) the leased real property listed on Schedule 1.1(d)(i), together with all improvements, fixtures and other appurtenances thereto and rights in respect thereof, and each real property lease or sublease related to such leased real property;
- (d) the owned real property listed on Schedule 1.1(d)(ii), together with all improvements, fixtures and other appurtenances thereto and rights in respect thereof;
- (e) the fixed assets and tangible personal property (other than inventory), including fixtures, trade fixtures, building equipment, fittings, furniture, computer and other information systems hardware, office equipment, and other tangible personal property, in each case, used or held for use in the SpinCo Business and either (i) listed on Schedule 1.1(d)(iii)(A) or (ii) located at the locations listed on Schedule 1.1(d)(iii)(B);
- (f) all cars, trucks and other motor vehicles used or held for use in the SpinCo Business;
- (g) all inventory used or held for use exclusively in the SpinCo Business;

(h) the Registered Intellectual Property set forth on Schedule 1.1(d)(iv), the Unregistered Intellectual Property set forth on Schedule 1.1(d)(v) and all other Unregistered Intellectual Property primarily related to the SpinCo Business;

(i) all Permits held by a Transferred Entity or otherwise used or held for use exclusively in the SpinCo Business;

(j) any counterclaims, setoffs or defenses that may be available with respect to any SpinCo Liabilities;

(k) all rights, claims, credits, causes of action or rights of set off with respect to Third Parties to the extent relating to or arising from the SpinCo Assets or SpinCo Liabilities, including rights under vendors' and manufacturers' warranties, indemnities, guaranties and rights, claims, damages or causes of action related to infringement, violation or misappropriation of any Intellectual Property;

(l) all Assets reflected as Assets on the SpinCo Balance Sheet, unless otherwise provided under this Agreement;

(m) all data (whether in hardcopy or digital form) primarily related to the SpinCo Business (for the avoidance of doubt, the allocation of data under this Agreement will not abrogate or otherwise conflict with either Party's rights with respect to the use of or access to data in this Agreement or any Ancillary Agreement); and

(n) all other Assets set forth on Schedule 1.1(d)(vi); and

(o) all goodwill associated with any of the foregoing assets.

"SpinCo Balance Sheet" means the audited historical consolidated balance sheet of SpinCo, including the notes thereto, as of January 31, 2020 and as of July 31, 2020, as presented in the Form 20-F made available to Record Holders.

"SpinCo Business" means (a) the business and operations conducted prior to the Separation Completion Time comprising what is referred to in the VSI 10-K as the Cyber Intelligence segment; and (b) any other business (other than referred to in clause (a) of the definition of CES Business) directly conducted by any member of the SpinCo Group as of immediately prior to the Separation Completion Time.

"SpinCo Designees" means any and all entities (including corporations, companies, general or limited partnerships, trusts, joint ventures, unincorporated organizations, limited liability entities or other entities) designated by SpinCo for the purposes of accepting the transfer, assignment or assumption of SpinCo Assets or SpinCo Liabilities from VSI, pursuant to Section 2.1 and that will be members of the SpinCo Group as of immediately prior to the Effective Time.

"SpinCo Distributed Assets" means the SpinCo Assets, other than the interests in New CIS Canada.

“SpinCo Distributed Liabilities” means the SpinCo Liabilities, other than the Liabilities of New CIS Canada.

“SpinCo Group” means (a) prior to the Separation Completion Time, SpinCo and each Person that will be a Subsidiary of SpinCo as of immediately after the Separation Completion Time, including the Transferred Entities, even if, prior to the Separation Completion Time, such Person is not a Subsidiary of SpinCo; and (b) at and after the Separation Completion Time, SpinCo and each Person that is a Subsidiary of SpinCo.

“SpinCo Indemnitees” has the meaning set forth in Section 4.3.

“SpinCo Liabilities” means all short term and long-term Liabilities primarily relating to or arising from the SpinCo Business or the SpinCo Assets, including (without limitation or duplication):

(a) all Liabilities of SpinCo and the other members of the SpinCo Group;

(b) all Liabilities relating to, arising out of or resulting from 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, with respect to all information contained in the Form 20-F or any other Disclosure Documents, other than those statements relating to the CES Business;

(c) the costs and expenses allocated to SpinCo pursuant to Section 10.9;

(d) all Liabilities assumed or allocated to any member of the SpinCo Group pursuant to any of the Ancillary Agreements, pursuant to the terms of such Ancillary Agreement;

(e) all Liabilities associated with the SpinCo Specified Actions;

(f) all Liabilities reflected as Liabilities or obligations on the SpinCo Balance Sheet, unless otherwise provided under this Agreement; and

(g) the Liabilities set forth on Schedule 1.1(e).

“SpinCo Portion” has the meaning set forth in Section 2.6.

“SpinCo Released Persons” has the meaning set forth in Section 4.1(b).

“SpinCo Shares” means all of the shares of SpinCo.

“SpinCo Specified Actions” means the Actions specified as “SpinCo liabilities” on Schedule 1.1(f).

“Steering Committee” has the meaning set forth in Section 7.2(b).

“Subsidiary” means, with respect to any Person, any company, corporation, limited liability company, joint venture, partnership or other entity of which such Person (a) beneficially owns, either directly or indirectly, more than 50% of (i) the total combined voting power of all classes of voting securities, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

“Tax” has the meaning set forth in the Tax Matters Agreement.

“Tax Matters Agreement” means the Tax Matters Agreement to be entered into between VSI and SpinCo in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement, substantially in the form attached as Exhibit C.

“Tax Return” has the meaning set forth in the Tax Matters Agreement.

“Third Party” means any Person other than the Parties or any other members of the CES Group or the SpinCo Group.

“Third-Party Claim” has the meaning set forth in Section 4.5(a).

“Trademark Cross License Agreement” means the Trademark Cross License Agreement to be entered into between VSI and SpinCo in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement, substantially in the form attached as Exhibit E.

“Transfer and Assignment Agreement” means the Transfer and Assignment Agreement, effective as of January 31, 2021, between VSI and SpinCo.

“Transfer Documents” has the meaning set forth in Section 2.1(b).

“Transferred Entities” means the entities set forth on Schedule 1.1(g).

“Transition Services Agreement” means the Transition Services Agreement to be entered into between VSI and SpinCo in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement, substantially in the form attached as Exhibit D.

“Unregistered Intellectual Property” means any Intellectual Property other than Registered Intellectual Property.

“Unreleased CES Liability” has the meaning set forth in Section 2.3(b)(ii).

“Unreleased SpinCo Liability” has the meaning set forth in Section 2.3(a)(ii).

“VSI” has the meaning set forth in the Preamble.

“VSI 10-K” means the VSI Annual Report on Form 10-K for the fiscal year ended January 31, 2020.

“VSI Board” has the meaning set forth in the Recitals.

“VSI Credit Facilities” means (i) the credit agreement dated as of June 29, 2017 by and among VSI, as borrower, the subsidiaries of VSI from time to time party thereto as subsidiary borrowers, JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party from time to time thereto (as amended as of January 31, 2019 and June 9, 2020 and as may be further amended, amended and restated, supplemented, otherwise modified, refinanced or replaced from time to time, the “Credit Agreement”), and any successor credit facility or facility entered into to refinance the facility provided for in such Credit Agreement and (ii) VSI’s 1.50% Convertible Senior Notes due 2021, together with the warrants and other instruments governing the related convertible note hedge transactions, and any successor debt securities issued to refinance such Convertible Notes.

“VSI Released Persons” has the meaning set forth in Section 4.1(a).

“VSI Shares” means the common shares of VSI, \$0.001 par value per share.

“VSI LP Transfer” has the meaning set forth in Section 3.2(a).

## ARTICLE II

### THE SEPARATION

#### 2.1 Transfer of Assets and Assumption of Liabilities.

(a) Effective immediately following the Distribution:

(i) *Transfer and Assignment of SpinCo Distributed Assets.* VSI will, and will cause the other applicable members of the CES Group to, contribute, assign, transfer, convey and deliver to SpinCo, or the applicable SpinCo Designees, and SpinCo or such SpinCo Designees will accept from VSI and the applicable members of the CES Group, all of VSI’s and such CES Group member’s respective direct or indirect right, title and interest in and to all of the SpinCo Distributed Assets (it being understood that if any SpinCo Distributed Asset will be held by a Transferred Entity or a wholly owned Subsidiary of a Transferred Entity, such SpinCo Distributed Asset may be assigned, transferred, conveyed and delivered to SpinCo as a result of the transfer of all of the equity interests in such Transferred Entity from VSI or the other applicable members of the CES Group to SpinCo or the applicable SpinCo Designee), such that the SpinCo Group will own, to the extent that it does not already own, all of the SpinCo Distributed Assets.

(ii) *Acceptance and Assumption of SpinCo Distributed Liabilities.* SpinCo and the applicable SpinCo Designees will accept, assume and agree faithfully to perform, discharge and fulfill all the SpinCo Distributed Liabilities in



accordance with their respective terms (it being understood that if any SpinCo Distributed Liability is a liability of a Transferred Entity or a wholly owned Subsidiary of a Transferred Entity, such SpinCo Distributed Liability will be deemed assumed by SpinCo for the purpose of this Agreement as a result of and immediately following the transfer of all of the equity interests in such Transferred Entity from VSI or the other applicable members of the CES Group to SpinCo or the applicable SpinCo Designee and each such Transferred Entity and such SpinCo Designee will be required to perform, discharge and fulfill all such SpinCo Distributed Liabilities in accordance with their respective terms), such that the SpinCo Group will be liable for, to the extent it is not already liable for, all SpinCo Distributed Liabilities, except that nothing herein will be deemed to create a guarantee by SpinCo to the performance, discharge or fulfillment of any SpinCo Distributed Liability to be performed by any SpinCo Designee. SpinCo or such SpinCo Designees, as the case may be, will be responsible for all SpinCo Distributed Liabilities, regardless of when or where such SpinCo Distributed Liabilities arose or arise, whether the facts on which they are based occurred prior to or subsequent to the Effective Time, where or against whom such SpinCo Distributed Liabilities are asserted or determined (including any SpinCo Distributed Liabilities arising out of claims made by VSI's or SpinCo's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the CES Group or the SpinCo Group) or whether asserted or determined prior to or subsequent to the Effective Time, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the CES Group or the SpinCo Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(iii) *Transfer and Assignment of CES Assets.* VSI and SpinCo will cause SpinCo and the other applicable members of the SpinCo Group to contribute, assign, transfer, convey and deliver to VSI or certain members of the CES Group designated by VSI, and VSI or such other members of the CES Group will accept from SpinCo and the applicable members of the SpinCo Group, all of SpinCo's and such SpinCo Group members' respective direct or indirect right, title and interest in and to all CES Assets, such that the CES Group will own, to the extent that it does not already own, all of the CES Assets.

(iv) *Acceptance and Assumption of CES Liabilities.* VSI and the other applicable members of the CES Group designated by VSI will accept, assume and agree faithfully to perform, discharge and fulfill all the CES Liabilities held by SpinCo or any SpinCo Designee and VSI and the other applicable members of the CES Group will be responsible for all CES Liabilities in accordance with their respective terms, such that the CES Group will be liable for, to the extent it is not already liable for, all CES Liabilities, except that nothing herein will be deemed to create a guarantee by VSI to the performance, discharge or fulfillment of any CES Liability to be performed by any applicable member of the CES Group designated by VSI. VSI or such applicable member of the CES Group designated by VSI, as the case may be, will be responsible for all CES Liabilities, regardless of when or where such CES Liabilities arose or arise, whether the facts on which

they are based occurred prior to or subsequent to the Effective Time, where or against whom such CES Liabilities are asserted or determined (including any CES Liabilities arising out of claims made by VSI's or SpinCo's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the CES Group or the SpinCo Group) or whether asserted or determined prior to or subsequent to the Effective Time, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the CES Group or the SpinCo Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates.

(b) *Transfer Documents.* In furtherance of the contribution, assignment, transfer, conveyance and delivery of the Assets and the acceptance and assumption of the Liabilities in accordance with Section 2.1(a), (i) each of VSI and SpinCo will execute and deliver, and will cause the applicable other members of its Group to execute and deliver, to the other, such bills of sale, quitclaim deeds, stock powers, certificates of title, assignments of Contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of such Party's and the applicable members of its Group's right, title and interest in and to such Assets to the other and the applicable other members of its Group in accordance with Section 2.1(a), and (ii) each of VSI and SpinCo will execute and deliver, and will cause the applicable other members of its Group to execute and deliver, to the other, such assumptions of Contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the Liabilities by such Party or the applicable members of its Group in accordance with Section 2.1(a). All of the foregoing documents contemplated by this Section 2.1(b) will be referred to collectively herein as the "Transfer Documents."

(c) *Misallocations; Primarily Related Assets and Liabilities.* If at any time or from time to time (whether prior to, at, or after the Effective Time), one Party (or any other member of such Party's Group) receives or otherwise possesses any Asset that is or should have been allocated to the other Party (or any other member of such other Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party will promptly transfer, or cause to be transferred, such Asset to the Party so entitled thereto (or to such member of such Party's Group), and such Party (or other member of such Party's Group) will accept such Asset, without further consideration. Prior to any such transfer, the Person receiving or possessing such Asset will hold such Asset in trust for such other Person. In the event that, at any time or from time to time (whether prior to, at, or after the Effective Time), one Party (or any other member of such Party's Group) receives or otherwise is obligated for any Liability that is or should have been allocated to the other Party (or any other member of such other Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party will promptly transfer, or cause to be transferred, such Liability to the Party (or to such member of such Party's Group) responsible therefor, and the Party (or other member of such Party's Group) responsible therefor will accept, assume and agree to faithfully perform such Liability, without further consideration. To the extent there is a good faith disagreement between the Parties as to the allocation of an Asset or Liability under this Agreement or any Ancillary Agreement (for example, whether or not it is "primarily" related to the SpinCo Business), such Asset

(and any associated Liability) or Liability (and any associated Asset) will be allocated to VSI, unless (i) otherwise agreed by the Parties at the time of such disagreement or (ii) pending a final, non-appealable determination pursuant to the dispute resolutions provisions set forth in Article VII (provided that in the event of a dispute, such disputed Asset (and any associated Liability) or Liability (and any associated Asset) will be allocated to VSI unless and until a final, non-appealable determination of such dispute to the contrary pursuant to Article VII). For the avoidance of doubt, in the event that at any time or from time to time (whether prior to, at, or after the Effective Time), one Party (or any member of such Party's Group) makes a payment in respect of any Liability that is or should have been allocated to the other Party pursuant to this Agreement or any Ancillary Agreement, such other Party will reimburse the first Party for the amount so paid as promptly as is reasonably practicable following delivery of written evidence of such payment.

(d) *Waiver of Bulk-Sale and Bulk-Transfer Laws.* SpinCo hereby waives compliance by each and every member of the SpinCo Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the SpinCo Distributed Assets to any member of the SpinCo Group. VSI hereby waives compliance by each and every member of the CES Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the CES Assets to any member of the CES Group.

## 2.2 Approvals and Notifications.

(a) To the extent that the transfer or assignment of any Asset or the assumption of any Liability contemplated herein requires any Approvals or Notifications, the Parties will use their commercially reasonable efforts to obtain or make such Approvals or Notifications as soon as reasonably practicable; provided that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between the Parties, neither Party will be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(b) If and to the extent that the valid, complete and perfected transfer or assignment of any Asset or assumption of any Liability contemplated herein would be a violation of applicable Law or require any Approvals or Notifications that have not been obtained or made by the Effective Time then, unless the Parties otherwise mutually determine, the transfer or assignment of such Asset or the assumption of such Liability, as the case may be, will be automatically deemed deferred and any such purported transfer, assignment or assumption will be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made. Notwithstanding the foregoing, any such Assets will continue to constitute SpinCo Assets or CES Assets, as the case may be, and any such Liabilities will continue to constitute SpinCo Liabilities or CES Liabilities, as the case may be, for all other purposes of this Agreement and the Person retaining such Asset or Liability will thereafter hold such

Asset or Liability, as the case may be, for the use and benefit or burden, as applicable, insofar as reasonably possible, of the Person entitled thereto or obligated thereon hereunder (at such entitled Person's sole expense). The Parties will use their respective commercially reasonable efforts to continue to seek to remove all legal impediments or obtain such Approvals or Notifications (as applicable) as soon as reasonably practicable. The Person retaining such Asset or Liability will treat such Asset or Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the Person entitled to receive such Asset or obligated to assume such Liability and develop and implement arrangements to place the Person entitled to receive such Asset or obligated to assume such Liability, insofar as reasonably possible and to the extent not prohibited by applicable Law or the relevant Contract, in the same position as if such Asset or Liability, as the case may be, had been transferred, assigned or assumed as contemplated hereby such that all the benefits and burdens relating to such Asset or Liability, as the case may be, inure to the applicable Group.

(c) If and when the applicable legal impediments are removed or such Approvals or Notifications have been obtained or made, the transfer or assignment of the applicable Asset or the assumption of the applicable Liability, as the case may be, will be effected automatically in accordance with the terms of this Agreement and/or the applicable Ancillary Agreement, without further consideration and without further action of the Parties. In the case of an Asset (including, for the avoidance of doubt, any SpinCo Asset) with a value in excess of \$3.0 million, if the applicable legal impediments have not been removed (or Approvals have not been obtained or Notifications have not been made, as applicable) within the six-month period following the Distribution, the Parties will cooperate to expeditiously sell for cash such Asset to a buyer unrelated to the Parties or expeditiously wind down the Asset (and, in the case of equity in an entity, wind down and dispose of all business assets owned directly or indirectly by such entity). Such sale or wind-down will occur before the first anniversary of the Distribution. The Person entitled to receive such Asset under this Agreement will receive any proceeds of such sale or wind-down. Unless otherwise extended by the mutual written agreement of the Parties on arms-length terms negotiated by the Parties subsequent to the Distribution, the obligations set forth in this Section 2.2 will terminate on the two-year anniversary of the Distribution.

### 2.3 Novation of Liabilities.

#### (a) *Novation of Distributed SpinCo Liabilities.*

(i) Each of the Parties, at the request of the other, will use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all SpinCo Distributed Liabilities and obtain in writing the unconditional release of each member of the CES Group that is a party to any related agreement, lease, license or other obligation or Liability, so that, in any such case, the members of the SpinCo Group will be solely responsible for such SpinCo Distributed Liabilities; provided that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither VSI nor

SpinCo will be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such consent, substitution, approval, amendment or release is requested.

(ii) If the Parties are unable to obtain, or cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the CES Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an “Unreleased SpinCo Liability”), SpinCo will, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the CES Group, as the case may be, (A) pay, perform and discharge fully all the obligations or other Liabilities of such member of the CES Group that constitute Unreleased SpinCo Liabilities from and after the Effective Time in accordance with the terms thereunder and (B) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the CES Group. If and when any such consent, substitution, approval, amendment or release is obtained or the Unreleased SpinCo Liabilities otherwise becomes assignable or able to be novated, VSI will promptly assign, or cause to be assigned, and SpinCo or the applicable SpinCo Group member will assume, such Unreleased SpinCo Liabilities without exchange of further consideration.

(b) *Novation of CES Liabilities.*

(i) Each of the Parties, at the request of the other, will use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign all CES Liabilities and obtain in writing the unconditional release of each member of the SpinCo Group that is a party to any related agreement, lease, license or other obligation or Liability, so that, in any such case, the members of the CES Group will be solely responsible for such CES Liabilities; provided that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither VSI nor SpinCo will be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Third Party from whom any such consent, substitution, approval, amendment or release is requested.

(ii) If the Parties are unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the SpinCo Group continues to be bound by such agreement, lease, license or other obligation or Liability (each, an “Unreleased CES Liability”), VSI will, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the SpinCo Group, as the case may be, (A) pay, perform and discharge fully all the obligations or other Liabilities of such member of the SpinCo Group that constitute Unreleased CES

Liabilities from and after the Effective Time in accordance with the terms thereunder and (B) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the SpinCo Group. If and when any such consent, substitution, approval, amendment or release is obtained or the Unreleased CES Liabilities otherwise becomes assignable or able to be novated, SpinCo will promptly assign, or cause to be assigned, and CES or the applicable CES Group member will assume, such Unreleased CES Liabilities without exchange of further consideration.

2.4 Release of Guarantees. In furtherance of, and not in limitation of, the obligations set forth in Section 2.3:

(a) Each of the Parties will, at the request of the other Party and with the reasonable cooperation of such other Party and the applicable member(s) of such other Party's Group, use commercially reasonable efforts to, effective at or prior to the Effective Time: (i) have any member(s) of the CES Group removed as guarantor of, indemnitor of or obligor for any SpinCo Distributed Liability, including the removal of any Security Interest on or in any CES Asset that may serve as collateral or security for any such SpinCo Distributed Liability; and (ii) have any member(s) of the SpinCo Group removed as guarantor of, indemnitor of or obligor for any CES Liability, including the removal of any Security Interest on or in any SpinCo Distributed Asset that may serve as collateral or security for any such CES Liability.

(b) To the extent required to obtain a release from a guarantee or indemnity by:

(i) any member of the CES Group, SpinCo will (or will cause one or more other members of the SpinCo Group to) execute a guarantee or indemnity agreement in the form of the existing guarantee or indemnity or such other form as is agreed to by the relevant parties to such guarantee or indemnity agreement, which agreement will include the removal of any Security Interest on or in any CES Asset that may serve as collateral or security for any such SpinCo Distributed Liability, except to the extent that such existing guarantee or indemnity contains representations, covenants or other terms or provisions either (A) with which SpinCo would be reasonably unable to comply or (B) which SpinCo would not reasonably be able to avoid breaching; and

(ii) any member of the SpinCo Group, VSI will (or will cause one or more other members of the CES Group to) execute a guarantee or indemnity agreement in the form of the existing guarantee or indemnity or such other form as is agreed to by the relevant parties to such guarantee or indemnity agreement, which agreement will include the removal of any Security Interest on or in any SpinCo Distributed Asset that may serve as collateral or security for any such CES Liability, except to the extent that such existing guarantee or indemnity contains representations, covenants or other terms or provisions either (A) with which VSI would be reasonably unable to comply or (B) which VSI would not reasonably be able to avoid breaching.

(c) If the Parties are unable to obtain, or to cause to be obtained, any such required removal or release as set forth in Sections 2.4(a) and (b): (i) VSI, SpinCo or the other relevant member of the CES Group or the SpinCo Group, as applicable, that has assumed the Liability with respect to such guarantee or indemnity will indemnify, defend and hold harmless the guarantor, indemnitor or obligor against or from any Liability arising from or relating thereto in accordance with the provisions of Article IV and will, as agent or subcontractor for such guarantor, indemnitor or obligor, pay, perform and discharge fully all the obligations or other Liabilities of such guarantor, indemnitor or obligor thereunder in accordance with its terms; and (ii) each of VSI and SpinCo, on behalf of itself and the other members of the CES Group or the SpinCo Group, respectively, agree not to renew or extend the term of, increase any obligations under, or transfer to a Third Party, any loan, guarantee, lease, Contract or other obligation for which any other Party or a member of such other Party's Group is or may be liable unless all obligations of such other Party and the members of such other Party's Group with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to such other Party.

## 2.5 Termination of Agreements.

(a) Except as set forth in Section 2.5(b), in furtherance of the releases and other provisions of Section 4.1, SpinCo and each other member of the SpinCo Group, on the one hand, and VSI and each other member of the CES Group, on the other hand, hereby terminate any and all Contracts, between or among any member of the SpinCo Group, on the one hand, and any member of the CES Group, on the other hand, effective as of the Effective Time. No such terminated Contract (including any provision thereof which purports to survive termination) will be of any further force or effect after the Effective Time. Each Party will, at the reasonable request of the other Party, take, or cause to be taken, such other actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.5(a) will not apply to any of the following Contracts (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by VSI, SpinCo or any other member of their respective Groups or to be continued from and after the Effective Time); (ii) any Contracts listed or described on Schedule 2.5(b)(ii); (iii) any Contracts to which any Third Party is a party; (iv) any Contracts under which any intercompany accounts payable or accounts receivable accrued as of the Effective Time are reflected in the books and records of the Parties or otherwise documented in writing in accordance with past practice, which will be settled in the manner contemplated by Section 2.5(c); (v) any Contracts to which any non-wholly owned Subsidiary of VSI or SpinCo, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned); and (vi) any Shared Contracts.

(c) All intercompany accounts receivable and accounts payable between any member of the CES Group, on the one hand, and any member of the SpinCo Group, on the other hand, outstanding as of the Effective Time and arising out of the Contracts described in Section 2.5(b), or out of the provision, prior to the Effective Time, of the services to be provided following the Effective Time pursuant to any of the Ancillary Agreements will be paid or settled following the Effective Time in the ordinary course of business or, if otherwise mutually agreed prior to the Effective Time by duly authorized representatives of SpinCo and VSI, cancelled, assigned or assumed by SpinCo or VSI or one or more Subsidiaries of SpinCo or VSI.

2.6 Treatment of Shared Contracts. The Parties will, and will cause the other members of their respective Groups to, use commercially reasonable efforts to work together (and, if necessary and desirable, to work with the applicable Third Party to such Shared Contract) in an effort to divide, partially assign, modify or replicate (in whole or in part) the respective rights and obligations under and in respect of any Shared Contract, such that (a) a member of the SpinCo Group is the beneficiary of the rights and is responsible for the obligations in respect of that portion of such Shared Contract relating to the SpinCo Business (the "SpinCo Portion"), which rights will be a SpinCo Asset and which obligations will be a SpinCo Liability, and (b) a member of the CES Group is the beneficiary of the rights and is responsible for the obligations in respect of that portion of such Shared Contract relating to the CES Business (the "CES Portion"), which rights will be a CES Asset and which obligations will be a CES Liability. If the Parties are not able to enter into an arrangement to formally divide, partially assign, modify or replicate such Shared Contract as contemplated by the previous sentence, then the Parties will, and will cause the applicable other members of their respective Groups to, cooperate in any lawful arrangement to provide that a member of the SpinCo Group will receive the interest in the benefits and obligations of the SpinCo Portion under such Shared Contract and a member of the CES Group will receive the interest in the benefits and obligations of the CES Portion under such Shared Contract; provided, however, that no Party will be required to take any action in furtherance of this Section 2.6 that would require the expenditure of money (other than any payment obligations under the applicable Shared Contract or commercially reasonable fees for any advisor or service provider a Party may engage in connection with the matters described in this Section 2.6) and neither Party will be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person (other than any payment obligations under the applicable Shared Contract) in furtherance of this Section 2.6.

#### 2.7 Bank Accounts; Cash Balances.

(a) Each Party agrees to take, and cause the other members of its Group to take, prior to the Effective Time (or such earlier time as the Parties may agree), all actions necessary to amend all Contracts governing each bank and brokerage account owned by SpinCo or any other member of the SpinCo Group (collectively, the "SpinCo Accounts") and all Contracts governing each bank or brokerage account owned by VSI or any other member of the CES Group (collectively, the "CES Accounts") so that each such SpinCo Account and CES Account, if currently linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to, hereinafter "Linked") to any account of the other Party is de-Linked.



(b) With respect to any outstanding checks issued or payments initiated by VSI, SpinCo or any other member of their respective Groups prior to the Effective Time, such outstanding checks and payments will be honored following the Effective Time by the Person or Group owning the account on which the check is drawn or from which the payment was initiated, respectively.

(c) As between VSI and SpinCo (and the other members of their respective Groups), all payments made and reimbursements received after the Effective Time to or by either Party (or member of its Group) that relate to a business, Asset or Liability of the other Party (or other member of such other Party's Group), will be held by such receiving Party in trust for the use and benefit of the Party entitled thereto and, promptly following receipt by such receiving Party of any such payment or reimbursement, VSI or SpinCo, as applicable, will pay over, or will cause the applicable other member of its Group to pay over, to such other Party the amount of such payment or reimbursement without right of set-off.

2.8 Ancillary Agreements. Effective at or prior to the Effective Time, each Party will, or will cause each applicable other member of its Group to, execute and deliver all Ancillary Agreements to which it is a party.

2.9 VSI Credit Facilities. VSI will use reasonable best efforts to take or cause to be taken all actions, and enter into (or cause the members of the CES Group to enter into) such agreements and arrangements, as will be necessary to cause, as of the Spin-off Date, (a) the removal of the members of the SpinCo Group from all VSI Credit Facilities and (b) the members of the SpinCo Group to be fully and unconditionally released from all Liabilities in respect of the VSI Credit Facilities. All Liabilities in respect of the VSI Credit Facilities are CES Liabilities and VSI will indemnify the members of the SpinCo Group from any Liabilities suffered by such members of the SpinCo Group to the extent arising out of, resulting from or relating to the VSI Credit Facilities. Without limiting the foregoing, after the Spin-off Date, (i) VSI will not, and will not permit any member of the VSI Group to, renew, extend, modify, amend or supplement any VSI Credit Facility in any manner that would increase, extend or give rise to any Liability of a member of the SpinCo Group under such VSI Credit Facilities and (ii) with respect to any VSI Credit Facility for which any member of the SpinCo Group was not removed and fully and unconditionally released from all Liabilities in respect of such VSI Credit Facility prior to the Distribution, VSI will continue to use reasonable best efforts to cause such removal and release.

2.10 Disclaimer of Representations and Warranties. EACH OF VSI (ON BEHALF OF ITSELF AND EACH OTHER MEMBER OF THE CES GROUP) AND SPINCO (ON BEHALF OF ITSELF AND EACH OTHER MEMBER OF THE SPINCO 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, IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION HERewith OR THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF ANY ASSETS OF SUCH PARTY OR ANY OTHER MEMBER OF ITS GROUP, OR ANY OTHER MATTER CONCERNING ANY ASSETS OR LIABILITIES OF SUCH PARTY OR ANY OTHER MEMBER OF ITS GROUP, OR AS TO THE EXISTENCE OR ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET OR LIABILITY, INCLUDING ANY ACCOUNTS RECEIVABLE OR ACCOUNTS PAYABLE, OF EITHER PARTY OR ANY OTHER MEMBER OF ITS GROUP, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM OF DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES WILL BEAR THE ECONOMIC AND LEGAL RISKS THAT (A) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE, FREE AND CLEAR OF ANY SECURITY INTEREST, AND (B) ANY NECESSARY APPROVALS OR NOTIFICATIONS ARE NOT OBTAINED OR MADE OR THAT ANY REQUIREMENTS OF LAWS OR JUDGMENTS ARE NOT COMPLIED WITH. Each of VSI (on behalf of itself and each member of the CES Group) and SpinCo (on behalf of itself and each member of the SpinCo Group) further understands and agrees that if the disclaimer of express or implied representations and warranties contained in this Section 2.10 is held unenforceable or is unavailable for any reason under the Laws of any jurisdiction or if, under the Laws of any jurisdiction, both VSI or any member of the CES Group, on the one hand, and SpinCo or any member of the SpinCo Group, on the other hand, are jointly or severally liable for any CES Liability or any SpinCo Liability (except as expressly set forth herein or in any Ancillary Agreement), respectively, then the Parties intend that, notwithstanding any provision to the contrary under the Laws of such jurisdictions, the provisions of this Agreement and the Ancillary Agreements (including the disclaimer of all representations and warranties, allocation of Liabilities among the Parties and their respective Subsidiaries, releases, indemnification and contribution of Liabilities) will prevail for any and all purposes among the Parties and their respective Subsidiaries.

#### 2.11 Financial Information Certifications.

(a) VSI's disclosure controls and procedures and internal control over financial reporting (as each is contemplated by the Exchange Act) are currently applicable to SpinCo and the other members of the SpinCo Group as its Subsidiaries. In order to enable the principal executive officer and principal financial officer of SpinCo to make any certifications that may be required of them under Sections 302 and 906 of the Sarbanes-Oxley Act, VSI will, as soon as reasonably practicable following a request for such

information from SpinCo, provide SpinCo with one or more certifications with respect to such disclosure controls and procedures, its internal control over financial reporting and the effectiveness thereof that SpinCo may require (each, a “Certification”). Any such Certification(s) provided by VSI to SpinCo under this Section 2.11 will be provided by VSI (and not by any officer or employee in their individual capacity).

(b) In order to enable the principal executive officer and principal financial officer of VSI to make the certifications required of them under Sections 302 and 906 of the Sarbanes-Oxley Act) with respect to any quarterly or annual fiscal period of VSI beginning on or prior to the Distribution, SpinCo will, as soon as reasonably practicable following a request for such information from VSI, provide VSI with one or more Certifications. Any such Certification(s) provided by SpinCo to VSI under this Section 2.11 will be provided by SpinCo (and not by any officer or employee in their individual capacity).

## ARTICLE III

### THE DISTRIBUTION

#### 3.1 Sole and Absolute Discretion; Cooperation.

(a) VSI will, in its sole and absolute discretion, determine the terms of the Distribution, including the form, structure and terms of any transaction(s) and/or offering(s) to effect the Distribution and the timing and conditions to the consummation of the Distribution. In addition, VSI may, at any time and from time to time until the consummation of the Distribution, modify or change the terms of the Distribution, including by accelerating or delaying the timing of the consummation of all or part of the Distribution. Nothing will in any way limit VSI’s right to terminate this Agreement or the Distribution as set forth in Article IX or alter the consequences of any such termination from those specified in Article IX.

(b) SpinCo will cooperate with VSI to accomplish the Distribution and will, at VSI’s direction, to the extent permitted by applicable Law, promptly take any and all actions necessary or desirable to effect the Distribution, including in respect of the registration under the Exchange Act of SpinCo Shares on the Form 20-F. VSI will select any investment bank or manager in connection with the Distribution, as well as any financial printer, solicitation and/or exchange agent and financial, legal, accounting and other advisors. SpinCo and VSI will provide to the Agent any information required in order to complete the Distribution.

3.2 Actions Prior to the Distribution. Prior to the Distribution Time and subject to the terms and conditions set forth herein, the Parties will take, or cause to be taken, the following actions in connection with the Distribution:

(a) *VSI LP Transfer and Assignment Agreement.* Prior to the Spin-off Date, VSI and SpinCo will execute the Transfer and Assignment Agreement which requires the transfer by VSI of its ownership of all the equity interests in each of Cognyte Software LP and Cognyte Systems Ltd., to SpinCo immediately following the Distribution (the “VSI LP Transfer”).

(b) *New CIS Canada Transfer and Internal Restructuring.* To the extent not already completed, each of VSI and SpinCo will, and will cause their Affiliates to, consummate the New CIS Canada Transfer and Internal Restructuring.

(c) *Notice to NASDAQ.* VSI will, to the extent possible and necessary, give NASDAQ not less than 10 days' advance notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

(d) *Revised SpinCo Organizational Documents.* On or prior to the Spin-off Date, VSI and SpinCo will take all necessary actions so that, as of the Distribution Time, the Revised SpinCo Organizational Documents will become the organizational documents of SpinCo.

(e) *SpinCo Directors and Officers.* On or prior to the Spin-off Date, the Parties will take all necessary actions so that as of the Distribution Time: (i) the directors and officers of SpinCo will be those set forth in the Disclosure Documents made available to the Record Holders prior to the Spin-off Date, unless otherwise agreed by the Parties, and (ii) SpinCo will have such other officers as the board of directors of SpinCo will appoint.

(f) *NASDAQ Exchange.* SpinCo will prepare and file and use its reasonable best efforts to have approved an application to permit listing of the SpinCo Shares to be distributed in the Distribution on NASDAQ, subject to official notice of issuance.

(g) *Securities Law Matters.* SpinCo will file any registration statements, amendments or supplements to the Form 20-F as may be necessary or advisable in order to cause the Form 20-F to become and remain effective as required by the SEC or federal, state or other applicable securities Laws. The Parties will cooperate in preparing, filing with the SEC and causing to become effective registration statements or amendments thereof that are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or advisable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements. The Parties will prepare, and SpinCo will, to the extent required under applicable Law, file with the SEC any such documentation and any requisite no-action letters that VSI determines are necessary or desirable to effectuate the Distribution, and VSI and SpinCo will each use their respective reasonable best efforts to obtain all necessary approvals from the SEC with respect thereto as soon as practicable. The Parties will take all such action as may be necessary or appropriate under the securities or blue sky Laws of the United States (and any comparable Laws under any foreign jurisdiction) in connection with the Distribution.

(h) *Mailing of Form 20-F.* VSI will, as soon as is reasonably practical after the Form 20-F is declared effective by the SEC under the Exchange Act and the VSI Board has approved the Distribution, cause copies of the Form 20-F to be mailed to the Record Holders.

(i) *The Distribution Agent.* VSI will enter into a distribution agent agreement, or such other agreement as may be necessary, with the Agent or otherwise provide instructions to the Agent regarding the Distribution.

(j) *Financing Transactions.* In connection with the Separation and prior to the Effective Time, the Parties will cooperate with respect to and undertake such financing transactions (which may also include the transfer of cash between the CES Group and the SpinCo Group) as VSI determines to be advisable.

### 3.3 Conditions to the Distribution.

(a) The consummation of the Distribution will be subject to the satisfaction, or waiver, in whole or in part, by VSI in its sole and absolute discretion, of the following conditions:

(i) The Internal Restructuring will have been consummated in all material respects (subject to Section 2.2).

(ii) The New CIS Canada Transfer and the execution of the Transfer and Assignment Agreement will have been consummated in all material respects (subject to Section 2.2).

(iii) All corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby by each Party will have been obtained.

(iv) VSI will have received an opinion of Jones Day that the Distribution will qualify as a transaction that is generally tax-free for U.S. federal income tax purposes under Section 355 of the Code to VSI and the stockholders of VSI.

(v) VSI will have received final tax rulings from the Israeli Tax Authority (each such ruling, an “ITA Ruling”) providing that, for Israeli income tax purposes, the Distribution and the Separation, subject to the terms of the applicable ITA Ruling, are generally tax-free to VSI, SpinCo and VSI’s stockholders, and confirming certain matters with respect to the treatment of equity awards under the Parent Equity Plans as referred to in the Employment Matters Agreement.

(vi) VSI will have received from the United States Internal Revenue Service (1) a “transactional ruling” within the meaning of Rev. Proc. 2017-52 consistent with qualification of the Separation and Distribution under sections 368(a)(1)(D) and 355 of the Code, and (2) a ruling that SpinCo will be treated as a domestic corporation for U.S. federal income tax purposes under Section 7874 of the Code.

(vii) The SEC will have declared effective the Form 20-F; no order suspending the effectiveness of the Form 20-F will be in effect; and no proceedings for such purposes will be pending before or threatened by the SEC.

(viii) Copies of the Form 20-F will have been mailed to the Record Holders.

(ix) The actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities Laws or blue sky Laws (and any comparable Laws under any foreign jurisdiction) and the rules and regulations thereunder will have been taken or made, and, where applicable, will have become effective or been accepted.

(x) Any Governmental Approvals required for the consummation of the Separation and the Distribution will have been obtained.

(xi) No order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the Distribution or any of the transactions related thereto will be in effect.

(xii) The SpinCo Shares to be distributed to the stockholders of VSI in the Distribution will have been accepted for listing on NASDAQ, subject to official notice of issuance.

(xiii) Each of the Ancillary Agreements will have been duly executed and delivered by the applicable parties thereto.

(xiv) An independent valuation firm will have delivered one or more opinions to the VSI Board confirming the solvency and financial viability of each of VSI and SpinCo immediately after the consummation of the Distribution, and such opinions will be acceptable to VSI in form and substance in VSI's sole discretion, and such opinions will not have been withdrawn, rescinded or modified in any respect.

(xv) If, and to the extent, required by applicable Law, VSI will have, and will have procured that any applicable Subsidiary will have, informed, consulted or more generally involved any relevant employee representative bodies in connection with the Separation, the Distribution or the other transactions contemplated hereby.

(xvi) No other event or development will have occurred or will exist (including any material breach of the representations, warranties, covenants or agreements of this Agreement) that, in the judgment of the VSI Board, in its sole discretion, makes it inadvisable to effect the Separation, the Distribution or the other transactions contemplated hereby.

(b) The foregoing conditions are for the sole benefit of VSI and will not give rise to or create any duty on the part of VSI or the VSI Board to waive or not waive any such condition or in any way limit VSI's right to terminate this Agreement as set forth in Article IX or alter the consequences of any such termination from those specified in Article IX. Any determination made by the VSI Board prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in Section 3.3(a) will be conclusive and binding on the Parties.

#### 3.4 The Distribution.

(a) Subject to Section 3.3, at or prior to the Distribution Time, SpinCo will deliver to the Agent, for the benefit of the Record Holders, book-entry transfer authorizations for such number of the outstanding SpinCo Shares as is necessary to effect the Distribution, and will cause the transfer agent for the VSI Shares to instruct the Agent to distribute at the Distribution Time the appropriate number of SpinCo Shares to each such Record Holder or designated transferee or transferees of such Record Holder by crediting such number of SpinCo Shares to book-entry accounts of such Record Holder or designated transferee or transferees of such Record Holder. The Distribution will be effective at the Distribution Time.

(b) Subject to Section 3.3, each Record Holder will be entitled to receive in the Distribution a number of whole SpinCo Shares to be determined by resolution of the VSI Board, for every one VSI Share held by such Record Holder on the Record Date, rounded down to the nearest whole number.

(c) Until the SpinCo Shares are duly transferred in accordance with this Section 3.4 and applicable Law, from and after the Distribution Time, SpinCo will regard the Persons entitled to receive such SpinCo Shares as record holders of such SpinCo Shares in accordance with the terms of the Distribution without requiring any action on the part of such Persons. SpinCo agrees that, subject to any transfers of such SpinCo Shares, from and after the Distribution Time (i) each such record holder will be entitled to receive all dividends payable on, and exercise voting rights and all other rights and privileges with respect to, the SpinCo Shares then held by such record holder, and (ii) each such record holder will be entitled, without any action on the part of such record holder, to receive evidence of ownership of the SpinCo Shares then held by such record holder.

### ARTICLE IV

#### MUTUAL RELEASES, INDEMNIFICATION AND LITIGATION

##### 4.1 Release of Pre-Distribution Claims.

(a) *SpinCo Release of CES Group.* Except as provided in Sections 4.1(c) and 4.3, effective as of the Effective Time, SpinCo does hereby, for itself and for each other member of the SpinCo Group, and their respective successors and assigns, and, to the extent permitted by Law, for all Persons who at any time prior to the

Effective Time have been shareholders, directors, officers, agents or employees of any member of the SpinCo Group (in each case, in their respective capacities as such), remise, release and forever discharge (i) VSI and the other members of the CES Group, and their respective successors and assigns, (ii) all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the CES Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns and (iii) all Persons who at any time prior to the Effective Time are or have been shareholders, directors, officers, agents or employees of a Transferred Entity and who are not, as of immediately following the Effective Time, directors, officers or employees of either of SpinCo or another member of the SpinCo Group (collectively, the “VSI Released Persons”), in each case from: (A) all SpinCo Liabilities, (B) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation and the Distribution and (C) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the SpinCo Business, the SpinCo Assets or the SpinCo Liabilities.

(b) *VSI Release of SpinCo Group.* Except as provided in Sections 4.1(c) and 4.2, effective as of the Effective Time, VSI does hereby, for itself and for each other member of the CES Group and their respective successors and assigns, and, to the extent permitted by Law, for all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the CES Group (in each case, in their respective capacities as such), remise, release and forever discharge SpinCo and the other members of the SpinCo Group, and their respective successors and assigns (collectively, the “SpinCo Released Persons”), from (i) all CES Liabilities, (ii) all Liabilities arising from or in connection with the transactions and all other activities to implement the Separation and the Distribution and (iii) all Liabilities arising from or in connection with actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to the Effective Time (whether or not such Liabilities cease being contingent, mature, become known, are asserted or foreseen, or accrue, in each case before, at or after the Effective Time), in each case to the extent relating to, arising out of or resulting from the CES Business, the CES Assets or the CES Liabilities.

(c) *Obligations Not Affected.* Nothing contained in Sections 4.1(a) or 4.1(b) will impair any right of any Person to enforce this Agreement, any Ancillary Agreement or any Contracts that are specified in Sections 2.5(b) and (c) or the applicable Schedule to Section 2.5(b) as not terminating as of the Effective Time, in each case in accordance with its terms. Nothing contained in Section 4.1(a) or 4.1(b) will release any Person from:

(i) any Liability provided in or resulting from any Contract among any members of the CES Group or the SpinCo Group that is specified in Sections 2.5(b) and (c) or the applicable Schedule to Section 2.5(b) as not to terminate as of the Effective Time, or any other Liability specified in Sections 2.5(b) and (c) as not to terminate as of the Effective Time;



(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(iii) any Liability for the sale, lease, construction or receipt of goods, property or services purchased, obtained or used in the ordinary course of business by a member of one Group from a member of the other Group prior to the Effective Time;

(iv) any Liability that the Parties may have with respect to indemnification or contribution or other obligation pursuant to this Agreement, any Ancillary Agreement or otherwise for claims brought against the Parties or members of their Groups by Third Parties, which Liability will be governed by the provisions of this Article IV and Article V and, if applicable, the appropriate provisions of the Ancillary Agreements; or

(v) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 4.1; provided, however, that each Party agrees not to and to cause the other members of its Group not to bring suit against any VSI Released Person or any SpinCo Released Person, as applicable, with respect to any such Liability.

In addition, nothing contained in Section 4.1(a) will release any member of the CES Group from honoring its existing obligations to indemnify any director, officer or employee of SpinCo who was a director, officer or employee of any member of the CES Group at or prior to the Effective Time, to the extent such director, officer or employee becomes a named defendant in any Action with respect to which such director, officer or employee was entitled to such indemnification pursuant to such existing obligations, it being understood that, if the underlying obligation giving rise to such Action is a SpinCo Liability, SpinCo will indemnify VSI for such Liability (including VSI's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article IV.

(d) *No Claims*. SpinCo will not make, and will not permit any other member of the SpinCo 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 VSI Released Person, with respect to any Liabilities released pursuant to Section 4.1(a). VSI will not make, and will not permit any other member of the CES 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 Released Person, with respect to any Liabilities released pursuant to Section 4.1(b).

(e) *Execution of Further Releases*. At any time at or after the Effective Time, at the request of either Party, the other Party will cause each member of its respective Group to execute and deliver releases reflecting the provisions of this Section 4.1.

4.2 Indemnification by SpinCo. Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement, to the fullest extent permitted by Law, SpinCo will, and will cause the other members of the SpinCo Group to, indemnify, defend and hold harmless VSI, each other member of the CES Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the “CES Indemnitees”), from and against any and all Liabilities relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any SpinCo Liability;

(b) any failure of SpinCo, any other member of the SpinCo Group or any other Person to pay, perform or otherwise promptly discharge any SpinCo Liabilities in accordance with their terms, whether prior to, at or after the Effective Time;

(c) any breach by SpinCo or any other member of the SpinCo Group of this Agreement or any of the Ancillary Agreements; and

(d) except to the extent it relates to a CES Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the SpinCo Group by any member of the CES Group that survives following the Separation Completion Time.

4.3 Indemnification by VSI. Except as otherwise specifically set forth in this Agreement or in any Ancillary Agreement, to the fullest extent permitted by Law, VSI will, and will cause the other members of the CES Group to, indemnify, defend and hold harmless SpinCo, each other member of the SpinCo Group and each of their respective past, present and future directors, officers, employees or agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the “SpinCo Indemnitees”), from and against any and all Liabilities relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) any CES Liability;

(b) any failure of VSI, any other member of the CES Group or any other Person to pay, perform or otherwise promptly discharge any CES Liabilities in accordance with their terms, whether prior to, at or after the Effective Time;

(c) any breach by VSI or any other member of the CES Group of this Agreement or any of the Ancillary Agreements; and

(d) except to the extent it relates to a SpinCo Liability, any guarantee, indemnification or contribution obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the CES Group by any member of the SpinCo Group that survives following the Separation Completion Time.

#### 4.4 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) The Parties intend that any Liability subject to indemnification, contribution or reimbursement pursuant to this Article IV or Article V will be net of Insurance Proceeds or other amounts actually recovered (including pursuant to any indemnity from a Third Party) (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of any indemnifiable Liability. Accordingly, the amount which either Party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification or contribution hereunder (an "Indemnitee") will be reduced by any Insurance Proceeds or other amounts actually recovered (net of any out-of-pocket costs or expenses incurred in the collection thereof) from any Person by or on behalf of the Indemnitee in respect of the related Liability (including pursuant to any indemnity from a Third Party). If an Indemnitee receives a payment (an "Indemnity Payment") under this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds or any other amounts in respect of such Liability, then within ten calendar days of receipt of such Insurance Proceeds or other amounts, the Indemnitee will pay to the Indemnifying Party an amount equal to the excess of the Indemnity Payment received over the amount of the Indemnity Payment that would have been due if the Insurance Proceeds or such other amounts (net of any out-of-pocket costs or expenses incurred in the collection thereof) had been received, realized or recovered before the Indemnity Payment was made.

(b) The Parties agree that an insurer or other Person (including pursuant to any indemnity from a Third Party) that would otherwise be obligated to pay any claim will not be relieved of the responsibility with respect thereto or, solely by virtue of any provision contained in this Agreement or any Ancillary Agreement, have any subrogation rights with respect thereto, it being understood that no insurer or any other Third Party will be entitled to a "windfall" (*i.e.*, a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the liability allocation, indemnification and contribution provisions hereof. Each Party will, and will cause the members of its Group to, use commercially reasonable efforts to seek or collect or recover any Insurance Proceeds or any indemnity by any Third Party that may be collectible or recoverable with respect to the Liabilities for which indemnification or contribution may be available under this Article IV; provided that the Indemnitee's inability to collect or recover any such Insurance Proceeds or indemnity from a Third Party will not limit the Indemnifying Party's obligations under this Agreement.

#### 4.5 Procedures for Indemnification of Third-Party Claims.

(a) *Notice of Claims.* If, after the Effective Time, an Indemnitee receives notice or otherwise learns of the assertion by a Person (including any Governmental

Authority) who is not a member of the CES Group or the SpinCo Group of any claim or of the commencement by any such Person of any Action (collectively, a "Third-Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 4.2 or 4.3, or any other Section of this Agreement or any Ancillary Agreement, such Indemnitee will give such Indemnifying Party written notice thereof as soon as practicable, but in any event no later than 14 days after becoming aware of such Third-Party Claim. Any such notice will describe the Third-Party Claim in reasonable detail, including the facts and circumstances giving rise to such claim for indemnification, and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third-Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide notice in accordance with this Section 4.5(a) will not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent (if any) to which the Indemnifying Party is actually prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 4.5(a).

(b) *Control of Defense.* An Indemnifying Party may elect to defend (and seek to settle or compromise, subject to Section 4.5(e)), at its own expense and with its own counsel, any Third-Party Claim; provided that prior to the Indemnifying Party assuming and controlling defense of such Third-Party Claim, it will first confirm to the Indemnitee in writing that, assuming the facts presented to the Indemnifying Party by the Indemnitee being true, the Indemnifying Party will indemnify the Indemnitee for any Liabilities to the extent resulting from, or arising out of, such Third-Party Claim. Notwithstanding the foregoing, if the Indemnifying Party assumes such defense and, in the course of defending such Third-Party Claim, (i) the Indemnifying Party discovers that the facts presented at the time the Indemnifying Party acknowledged its indemnification obligation in respect of such Third-Party Claim were not true in all material respects and (ii) such untruth provides a reasonable basis for asserting that the Indemnifying Party does not have an indemnification obligation in respect of such Third-Party Claim, then (A) the Indemnifying Party will not be bound by such acknowledgment, (B) the Indemnifying Party will promptly thereafter provide the Indemnitee written notice of its assertion that it does not have an indemnification obligation in respect of such Third-Party Claim and (C) the Indemnitee will have the right to assume the defense of such Third-Party Claim. Within 30 days after the receipt of a notice from an Indemnitee in accordance with Section 4.5(a) (or sooner, if the nature of the Third-Party Claim so requires), the Indemnifying Party will provide written notice to the Indemnitee indicating whether the Indemnifying Party will assume responsibility for defending the Third-Party Claim. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within 30 days after receipt of the notice from an Indemnitee as provided in Section 4.5(a), then the Indemnitee that is the subject of such Third-Party Claim will be entitled to continue to conduct and control the defense of such Third-Party Claim.

(c) *Allocation of Defense Costs.* If an Indemnifying Party has elected to assume the defense of a Third-Party Claim, then such Indemnifying Party will be solely liable for all fees and expenses incurred by it in connection with the defense of such Third-Party Claim and will not be entitled to seek any indemnification or reimbursement from

the Indemnitee for any such fees or expenses incurred by the Indemnifying Party during the course of the defense of such Third-Party Claim by such Indemnifying Party, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense. If an Indemnifying Party elects not to assume responsibility for defending any Third-Party Claim or fails to notify an Indemnitee of its election within 30 days after receipt of a notice from an Indemnitee as provided in Section 4.5(a), and the Indemnitee conducts and controls the defense of such Third-Party Claim and the Indemnifying Party has an indemnification obligation with respect to such Third-Party Claim, then the Indemnifying Party will be liable for all reasonable fees and expenses incurred by the Indemnitee in connection with the defense of such Third-Party Claim.

(d) *Right to Monitor and Participate.* An Indemnitee that does not conduct and control the defense of any Third-Party Claim, or an Indemnifying Party that has failed to elect to defend any Third-Party Claim or has subsequently released the control of such defense to the Indemnitee as contemplated hereby, nevertheless will have the right to employ separate counsel (including local counsel, as necessary) of its own choosing to monitor and participate in (but not control) the defense of any Third-Party Claim for which it is a potential Indemnitee or Indemnifying Party, but the fees and expenses of such counsel will be at the expense of such Indemnitee or Indemnifying Party, as the case may be, and the provisions of Section 4.5(c) will not apply to such fees and expenses. Notwithstanding the foregoing, but subject to Sections 6.7 and 6.8, such Indemnitee or Indemnifying Party will cooperate with the Party entitled to conduct and control the defense of such Third-Party Claim in such defense and make available to the controlling Party, at the non-controlling Party's expense, all witnesses, information and materials in such Party's possession or under such Party's control relating thereto as are reasonably required by the controlling Party. In addition to the foregoing, if any Indemnitee in good faith determines that such Indemnitee and the Indemnifying Party have actual or potential differing defenses or conflicts of interest between them that make joint representation inappropriate, then the Indemnitee will have the right to employ separate counsel (including local counsel, as necessary) and to participate in (but not control) the defense, compromise, or settlement thereof, and the Indemnifying Party will bear the reasonable fees and expenses of such counsel for all Indemnitees.

(e) *No Settlement.* No Party may settle or compromise any Third-Party Claim for which the other Party is seeking to be indemnified hereunder without the prior written consent of such other Party, which consent may not be unreasonably withheld, conditioned or delayed, unless such settlement or compromise is solely for monetary damages that are fully payable, and are capable of being paid in full, by the settling or compromising Party, does not involve any admission, finding or determination of wrongdoing or violation of Law by the other Party (or any other member of its Group or any of their respective past, present or future directors, officers or employees) and provides for a full, unconditional and irrevocable release of such other Party (and each other relevant member of its Group and any of its or their relevant past, present, or future directors, officers or employees) from all Liability in connection with the Third-Party Claim. Whether or not the Indemnifying Party will have assumed the defense of a Third-Party Claim, the Indemnitee will not admit any liability with respect to, or settle or compromise

such Third-Party Claim without the prior written consent of the Indemnifying Party, which consent may not be unreasonably withheld, conditioned or delayed. The Parties hereby agree that if a Party presents the other Party with a written notice containing a proposal to settle or compromise a Third-Party Claim for which such Party is seeking to be indemnified hereunder and the Party receiving such proposal does not respond in any manner to the Party presenting such proposal within 30 days (or within any such shorter time period that may be required by applicable Law or court order) of receipt of such proposal, then the Party receiving such proposal will be deemed to have consented to the terms of such proposal.

#### 4.6 Additional Matters.

(a) *Timing of Payments.* Indemnification or contribution payments in respect of any Liabilities for which an Indemnitee is entitled to indemnification or contribution under this Article IV will be paid reasonably promptly (but in any event within 30 days of the final determination of the amount that the Indemnitee is entitled to indemnification or contribution under this Article IV) by the Indemnifying Party to the Indemnitee as such Liabilities are incurred upon demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution provisions contained in this Article IV will remain operative and in full force and effect, regardless of (i) any investigation made at any time by or on behalf of any Indemnitee and (ii) the knowledge at any time by the Indemnitee of Liabilities for which it might be entitled to indemnification hereunder.

(b) *Notice of Direct Claims.* Any claim for indemnification or contribution under this Agreement or any Ancillary Agreement that does not result from a Third-Party Claim will be asserted by written notice given by the Indemnitee to the applicable Indemnifying Party as soon as practicable, but in any event within 14 days after receipt of actual knowledge of such claim (or sooner if the nature of the claim so requires); provided that the failure by an Indemnitee to so assert any such claim will not prejudice the ability of the Indemnitee to do so at a later time except to the extent (if any) that the Indemnifying Party is actually prejudiced thereby. Such Indemnifying Party will have a period of 30 days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such 30-day period, such specified claim will be conclusively deemed a Liability of the Indemnifying Party under this Section 4.6(b) or, in the case of any written notice in which the amount of the claim (or any portion thereof) is estimated, on such later date when the amount of the claim (or such portion thereof) becomes finally determined. If such Indemnifying Party does not respond within such 30-day period or rejects such claim in whole or in part, such Indemnitee will, subject to the provisions of Article VII, be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the Ancillary Agreements, as applicable, without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) *Pursuit of Claims Against Third Parties.* If (i) a Party incurs any Liability arising out of this Agreement or any Ancillary Agreement; (ii) an adequate legal or equitable remedy is not available for any reason against the other Party to satisfy the Liability incurred by the incurring Party; and (iii) a legal or equitable remedy may be available to the other Party against a Third Party for such Liability, then such other Party will use its commercially reasonable efforts to cooperate with the incurring Party, at the incurring Party's expense, to permit the incurring Party to obtain the benefits of such legal or equitable remedy against the Third Party.

(d) *Subrogation.* In the event of payment by or on behalf of any Indemnifying Party to any Indemnitee in connection with any Third-Party Claim, such Indemnifying Party will be subrogated to and will stand in the place of such Indemnitee as to any events or circumstances in respect of which such Indemnitee may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnitee will cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(e) *Substitution.* In the event of an Action for which an Indemnitee is entitled to indemnification hereunder in which the Indemnifying Party is not a named defendant, if either the Indemnitee or Indemnifying Party will so request, the Parties will endeavor to substitute the Indemnifying Party for the named defendant. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant will allow the Indemnifying Party to manage the Action as set forth in [Section 4.5](#) and this [Section 4.6](#), and, subject to the other provisions of this [Article IV](#), the Indemnifying Party will fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, reasonable attorneys' fees, reasonable experts' fees and all other reasonable external expenses), the costs of any judgment or settlement and the cost of any interest or penalties relating to any judgment or settlement.

#### 4.7 Right of Contribution.

(a) *Contribution.* If any right of indemnification contained in [Section 4.2](#) or [Section 4.3](#) is held unenforceable or is unavailable for any reason, or is insufficient to hold harmless an Indemnitee in respect of any Liability for which such Indemnitee is entitled to indemnification hereunder, then the Indemnifying Party will contribute to the amounts paid or payable by the Indemnitee as a result of such Liability (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and the other members of its Group, on the one hand, and the Indemnitee entitled to contribution, on the other hand, as well as any other relevant equitable considerations.

(b) *Allocation of Relative Fault.* Solely for purposes of determining relative fault pursuant to this [Section 4.7](#): (i) any fault associated with the ownership, operation or activities of the SpinCo Business prior to the Effective Time will be deemed

to be the fault of SpinCo and the other members of the SpinCo Group, and no such fault will be deemed to be the fault of VSI or any other member of the CES Group; and (ii) any fault associated with the ownership, operation or activities of the CES Business prior to the Effective Time will be deemed to be the fault of VSI and the other members of the CES Group, and no such fault will be deemed to be the fault of SpinCo or any other member of the SpinCo Group.

4.8 Covenant Not to Sue. Each Party hereby covenants and agrees that none of it, the other members of such Party's Group or any Person claiming through it or any of them will bring suit or otherwise assert any claim against any Indemnitee, or assert a defense against any claim asserted by any Indemnitee, before any court, arbitrator, mediator or administrative agency anywhere in the world, alleging that: (a) the assumption of any SpinCo Liabilities by SpinCo or any other member of the SpinCo Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason; (b) the retention of any CES Liabilities by VSI or any other member of the CES Group on the terms and conditions set forth in this Agreement and the Ancillary Agreements is void or unenforceable for any reason; or (c) the provisions of this Article IV are void or unenforceable for any reason.

4.9 Remedies Cumulative. The remedies provided in this Article IV will be cumulative and will not preclude assertion by any Indemnitee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

4.10 Survival of Indemnities. The rights and obligations of each of VSI and SpinCo and the respective Indemnitees under this Article IV will survive (a) the sale or other transfer by either Party or any member of its respective Group of any assets or businesses or the assignment by it of any liabilities; or (b) any merger, consolidation, business combination, sale of all or substantially all of its assets, restructuring, recapitalization, reorganization or similar transaction involving a Party or any of the other members of such Party's Group.

4.11 Management of Certain Actions. This Section 4.11 will govern the direction of certain pending and future Actions in which members of the SpinCo Group or the CES Group are named as parties, but will not alter the allocation of Liabilities set forth in Article II or the rights and obligations under Section 4.5 unless expressly set forth in this Section 4.11.

(a) *Management of SpinCo Specified Actions*. From and after the Effective Time, the SpinCo Group will direct the defense or prosecution of any (i) SpinCo Specified Actions and (ii) any other Actions that constitute only SpinCo Liabilities or SpinCo Assets. If an Action that constitutes solely a SpinCo Liability or a SpinCo Asset (including a SpinCo Specified Action) names a member of the CES Group as a party thereto (where or not commenced after the Effective Time), then SpinCo will use its commercially reasonable efforts to cause such member of the CES Group to be removed as a party to such Action. To the extent that a member of the CES Group remains a party to such an Action, the Parties will reasonably cooperate and consult with each other, and to the extent necessary or advisable, maintain a joint defense in a manner that would



preserve for VSI, SpinCo and their respective Affiliates any attorney-client privilege, joint defense or other privilege with respect to such Action. Notwithstanding anything to the contrary herein, the Parties may jointly retain counsel (at SpinCo's expense) or retain separate counsel (in which case each Party will bear the cost of its separate counsel, other than in the event of a conflict of interest, in which case VSI's separate counsel will be at SpinCo's expense). No Party will add any other Party (or any other member of such other Party's Group) to any Action contemplated by this Section 4.11(a) pending as of the Effective Time without the prior written consent of such other Party.

(b) *Management of CES Specified Actions.* From and after the Effective Time, the CES Group will direct the defense or prosecution of any (i) CES Specified Actions and (ii) any other Actions that constitute only CES Liabilities or CES Assets. If an Action that constitutes solely a CES Liability or a CES Asset (including a CES Specified Action) names a member of the SpinCo Group as a party thereto (whether or not commenced after the Effective Time), then VSI will use its commercially reasonable efforts to cause such member of the SpinCo Group to be removed as a party to such Action. To the extent that a member of the SpinCo Group remains a party to such an Action, the Parties will reasonably cooperate and consult with each other, and to the extent necessary or advisable, maintain a joint defense in a manner that would preserve for VSI, SpinCo and their respective Affiliates any attorney-client privilege, joint defense or other privilege with respect to such Action. Notwithstanding anything to the contrary herein, the Parties may jointly retain counsel (at VSI's expense) or retain separate counsel (in which case each Party will bear the cost of its separate counsel, other than in the event of a conflict of interest, in which case SpinCo's separate counsel will be at VSI's expense). No Party will add any other Party (or any other Member of such other Party's Group) to any Action contemplated by this Section 4.11(b) pending as of the Effective Time without the prior written consent of such other Party.

(c) *Management of Mixed Actions.* From and after the Effective Time, the Parties will jointly manage (whether as co-defendants or co-plaintiffs) any (i) Actions set forth on Schedule 4.11(c) (except as otherwise set forth therein), (ii) any other Action that constitutes both a SpinCo Asset and a CES Asset and (iii) any other Action that constitutes both a SpinCo Liability and a CES Liability (clauses (i), (ii) and (iii), the "Mixed Actions"). The Parties will reasonably cooperate and consult with each other, and to the extent necessary or advisable, maintain a joint defense in a manner that would preserve for VSI, SpinCo and their respective Affiliates any attorney-client privilege, joint defense or other privilege with respect to Mixed Actions. Notwithstanding anything to the contrary herein, the Parties may jointly retain counsel (in which case the cost of counsel will be shared equally by VSI, on the one hand, and SpinCo, on the other hand, unless otherwise agreed to by the Parties) or retain separate counsel (in which case each Party will bear the cost of its separate counsel) with respect to any Mixed Action; provided that, unless otherwise provided herein or otherwise agreed to by the Parties, VSI, on the one hand, and SpinCo, on the other hand, will share equally discovery and other joint litigation costs. In any Mixed Action, each of VSI and SpinCo may pursue separate defenses, claims, counterclaims or settlements to those claims relating to the CES Business or the SpinCo Business, respectively; provided that each Party will in good faith make all reasonable efforts to avoid adverse effects on the other Party. Notwithstanding anything to the

contrary herein, unless otherwise provided on Schedule 4.11(c), (i) if a judgment is obtained with respect to a Mixed Action, the Parties will endeavor in good faith to allocate the Liabilities in respect of such judgment between them based on the CES Business and the SpinCo Business, and otherwise will share equally such Liabilities; and (ii) if a recovery is obtained with respect to a Mixed Action, the Parties will endeavor in good faith to allocate the Assets in respect of such recovery between them based on their respective injuries, and otherwise will share equally such Assets. A Party (or another member of its Group) that is not named as a defendant in a Mixed Action may elect to become a party to such Mixed Action, and the Party (or other member of its Group) named in such Mixed Action will reasonably cooperate to have such first Party (or other member of its Group) named in such Mixed Action.

(d) *Delegation of Rights of Recovery.* To the maximum extent permitted by applicable Law, the rights to recovery of each member of a Party's Group in respect of any past, present or future Action are hereby delegated to such Party. It is the intent of the Parties that the foregoing delegation will satisfy any Law requiring such delegation to be effected pursuant to a power of attorney or similar instrument. Each of the Parties and each of the other members of its Group will execute such further instruments or documents as may be necessary to effect such delegation.

4.12 Settlement of Actions. No Party managing an Action pursuant to Section 4.11 will settle or compromise such Action without the prior written consent of the other Party (not to be unreasonably withheld, conditioned or delayed) if such settlement or compromise would result in any remedy or relief being imposed upon any member of such other Party's Group (or any of such Group's respective past, present or future directors, officers, employees, other personnel or agents).

## ARTICLE V

### CERTAIN OTHER MATTERS

#### 5.1 Insurance Matters.

(a) Prior to the Effective Time, the Parties will use commercially reasonable efforts to obtain separate insurance policies for SpinCo and the other members of the SpinCo Group to become effective on (or before) the Effective Time. From and after the Effective Time, neither SpinCo nor any other member of the SpinCo Group will have any rights to or under any of the insurance policies of VSI or any other member of the CES Group, other than under the director and officer liability insurance runoff policy that will be effective as of the Effective Time. At the Effective Time, the SpinCo Group will have in effect all insurance programs required to comply with the contractual obligations of the SpinCo Group and such other insurance policies required by applicable Law or as reasonably necessary or appropriate for companies operating a business similar to the SpinCo Business.

(b) SpinCo does hereby, for itself and each other member of the SpinCo Group, agree that no member of the CES Group will have any Liability whatsoever as a

result of the insurance policies and practices of VSI and the other members of the CES Group as in effect at any 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.

5.2 Payments and Late Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any amount payable or reimbursable by one Party to another Party under this Agreement or any Ancillary Agreement will be paid within 30 days after the receipt of an invoice therefor by the Party responsible for such payment from the other Party. Any such amount not paid by such due date will accrue interest from and including the date immediately following such due date through and including the date of payment at a rate per annum equal to the Prime Rate plus 2.0% (compounded monthly). Such rate will be redetermined as of the first business day of each calendar quarter following such due date. Such interest will be payable at the same time as the payment to which it relates and will be calculated on the basis of a year of 365 days and the actual number of days for which due. If any Party incurs costs to enforce such payment or reimbursement obligations of the other Party, the Party against whom such enforcement was sought will indemnify and hold harmless the Party seeking such enforcement for the costs of such enforcement, including reasonable attorneys' fees.

5.3 Post-Effective Time Conduct. The Parties acknowledge that, after the Effective Time, VSI (and the other members of the CES Group) will be independent of SpinCo (and the other members of the SpinCo Group), and SpinCo (and the other members of the SpinCo Group) will be independent of VSI (and the other members of the CES Group), in each case with responsibility for its own respective actions and inactions and its own respective Liabilities relating to, arising out of or resulting from the conduct of its business, operations and activities following the Effective Time, except as may otherwise be provided in this Agreement or any Ancillary Agreement, and each Party will and will cause the other members of its Group to (except as otherwise provided in Article IV) use commercially reasonable efforts to prevent such Liabilities from being inappropriately borne by the other Party (or the other members of its Group).

## ARTICLE VI

### EXCHANGE OF INFORMATION; CONFIDENTIALITY

#### 6.1 Agreement for Exchange of Information.

(a) Subject to Section 6.9, any other applicable confidentiality obligations, any Ancillary Agreement or any other agreement between the Parties or other members of their respective Groups, each of VSI and SpinCo, on behalf of itself and each other member of its respective Group, agrees to use commercially reasonable efforts to provide or make available, or cause to be provided or made available, to the other Party and the other members of such other Party's Group, at any time before, on or after the Effective Time, as soon as reasonably practicable after written request therefor, any

information (or a copy thereof) in the possession or under the control of the Party receiving such request (or any other member of such Party's Group), to the requesting Party or other member of such Party's Group to the extent that such information is not in the possession of the requesting Party's Group and:

(i) such information belongs to SpinCo or relates to the SpinCo Business, or any SpinCo Asset or SpinCo Liability, if SpinCo or any other member of the SpinCo Group is the requesting Party, or belongs to VSI or relates to the CES Business, or any CES Asset or CES Liability, if VSI or any other member of the CES Group is the requesting Party;

(ii) such information is required by the requesting Party to comply with its obligations under this Agreement or any Ancillary Agreement; or

(iii) such information is required by the requesting Party or any other member of such Party's Group to comply with its regulatory reporting obligations or any other obligation imposed by any Governmental Authority;

provided, however, that (x) if the Party to whom the request has been made determines that any such provision of information could be materially detrimental to the Party providing the information or any other member of such Party's Group, violate any Law or agreement or waive any privilege available under applicable Law, including any attorney-client privilege, then the Parties will use commercially reasonable efforts to permit compliance with such obligations to the extent and in a manner that avoids any such harm or consequence, (y) such information will relate to a period or periods (or any portion thereof) ending on or before the date of the Separation Completion Time, and (z) such information will not be used by the requesting party for commercial purposes; provided, however, that conditions (x)-(z) will not apply with respect to information that belongs to the requesting party and is only in the possession of the other party and, conditions (x) and (y) will not apply with respect to information described in Section 6.1(c).

(b) Any Party providing information pursuant to this Section 6.1 will only be obligated to provide such information in the form, condition and format in which it then exists, and in no event will such Party be required to perform any improvement, modification, conversion, updating or reformatting of any such information, and nothing in this Section 6.1 will expand the obligations of a Party under Section 6.4.

(c) Without limiting the generality of Section 6.1(a), until the end of the VSI fiscal year ended January 31 during which the Spin-off Date occurs (and for a reasonable period of time afterwards as required for each Party to prepare consolidated financial statements or complete a financial statement audit for the fiscal year ended January 31 during which the Spin-off Date occurs), each Party will use its commercially reasonable efforts to cooperate with the other Party's information requests to enable (i) the other Party to meet its timetable for dissemination of its earnings releases, financial statements and any management's assessment of the effectiveness of its disclosure controls and procedures and its internal control over financial reporting required by applicable Law; and (ii) the other Party's accountants to timely complete their review of

the quarterly financial statements and audit of the annual financial statements, including, to the extent applicable to such Party, 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, the SEC's and Public Company Accounting Oversight Board's rules and auditing standards thereunder and any other applicable Laws.

(d) Notwithstanding the other provisions of this Section 6.1 (except for the provisions of Section 6.1(a) relating to access to information), SpinCo will abide by the data preservation, maintenance and restoration provisions of Schedule 6.1(d) hereto for VSI's benefit with respect to the backup tapes and other backup systems described in such schedule (which will remain under SpinCo's control following the Spin-off Date and which contain the sole backup copies of such data).

6.2 Ownership of Information. The provision of any information pursuant to Section 6.1 or 6.7 will not affect the ownership of such information (which will be determined solely in accordance with the other terms of this Agreement and the Ancillary Agreements), or constitute a grant of rights in or to any such information that the requesting Party's Group did not already possess, other than the right to use such information in accordance with and as contemplated by the terms of this Agreement or any Ancillary Agreement.

6.3 Compensation for Providing Information. Any Party requesting information pursuant to this Article VI agrees to reimburse the other Party for the reasonable out-of-pocket costs, if any, of creating, gathering, copying, transporting and otherwise complying with the request with respect to such information (including any reasonable costs and expenses incurred in any review of information for purposes of protecting the Privileged Information of the providing Party or any other member of such Party's Group or in connection with the restoration of backup media for purposes of providing the requested information), provided that (i) neither Party will have the right to any reimbursement under this Section 6.3 unless and until such Party's reasonable out-of-pocket costs in a single month, exceed, in the aggregate, \$5,000.00 (the "De Minimis Amount"), in which case the providing Party will be entitled to reimbursement for such month for all reasonable out-of-pocket costs incurred that exceed the De Minimis Amount and (ii) no amounts will be payable by either Party in connection with their obligations under Section 6.1(c) or by VSI to SpinCo in connection with SpinCo's obligations under Section 6.1(d). Except as may be otherwise specifically provided elsewhere in this Agreement, any Ancillary Agreement or any other agreement between the Parties or other members of their respective Groups, such costs will be computed in accordance with the providing Party's standard methodology and procedures as may be provided to the other Party from time to time.

#### 6.4 Record Retention.

(a) To facilitate the possible exchange of information pursuant to this Article VI and other provisions of this Agreement after the Effective Time, each of the Parties agrees to use (and to cause the other members of its respective Group to use) commercially reasonable efforts, which will be no less rigorous than those used for retention of such Party's own information, to retain all information in their respective

possession or control on the Effective Time in accordance with the policies of VSI as in effect on the Effective Time or such other policies as may be adopted by VSI after the Effective Time (provided that in the case of SpinCo, that VSI notifies SpinCo of any such change). Notwithstanding the foregoing or either Party's internal policies and legal hold procedures, (i) no Party will destroy or permit any member of its respective Group to destroy, any information which relates to the other Party and which the other Party may have the right to obtain pursuant to the terms of this Agreement or any Ancillary Agreement prior to the second anniversary of the Spin-off Date and (ii) SpinCo will comply with its obligations under Section 6.1(d) in accordance with Schedule 6.1(d).

(b) After the Effective Time, the Parties will cooperate on the development of a plan and timetable, which will be reasonably satisfactory to VSI, for SpinCo to review its electronic and physical document repositories and to purge or mask any information that belongs to VSI or relates to the CES Business or any CES Asset or CES Liability. The Parties will split the cost of developing such plan. SpinCo will bear the cost of implementing such plan. Unless otherwise agreed by VSI, such plan will be finalized no later than the six month anniversary of the Spin-off Date and its execution will be completed no later than the 24 month anniversary of the Spin-off Date. Unless otherwise agreed by SpinCo, such plan will not require SpinCo to purge any data stored on the encrypted IT backup tapes referenced in Section 6.1(d).

6.5 Limitations of Liability. Neither Party will have any Liability to the other Party in the event that any information exchanged or provided pursuant to this Agreement is found to be inaccurate in the absence of gross negligence, bad faith or willful misconduct by the Party providing such information. No Party will have any Liability to any other Party if any information is destroyed after commercially reasonable efforts by such Party to comply with the provisions of Section 6.4.

#### 6.6 Production of Witnesses; Records; Cooperation.

(a) After the Effective Time, except in the case of an adversarial Action or Dispute between VSI and SpinCo, or any other members of their respective Groups, each Party will use its commercially reasonable efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its Group's control or which its Group otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to the reasonable business demands of such person) or books, records or other documents may reasonably be required in connection with any Action in which the requesting Party (or member of such Party's Group) 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 will bear all costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third-Party Claim, the other Party will make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees,

other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its Group's control or which its Group otherwise has the ability to make available without undue burden, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, and will otherwise reasonably cooperate in such defense, settlement or compromise.

(c) Without limiting the foregoing, except in the case of an adversarial Action or Dispute between VSI and SpinCo or any other members of their respective Groups, the Parties will cooperate and consult to the extent reasonably necessary with respect to any Actions.

(d) Without limiting any provision of this Section 6.6 and subject to the terms of the Ancillary Agreements, each Party agrees to cooperate, and to cause each other member of its respective Group to reasonably cooperate, with the other Party in the defense of any infringement or similar claim with respect to any Intellectual Property and will not claim to acknowledge, or permit any other member of its respective Group to claim to acknowledge, the validity or infringing use of any Intellectual Property of a Third Party in a manner that would hamper or undermine the defense of such infringement or similar claim.

(e) The obligation of the Parties to provide witnesses pursuant to this Section 6.6 is intended to be interpreted in a manner so as to facilitate cooperation and will include the obligation to provide as witnesses directors, officers, employees, other personnel and agents without regard to whether such person could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 6.7(a)).

#### 6.7 Privileged Matters.

(a) The Parties recognize that legal and other professional services that have been and will be provided prior to the Effective Time have been and will be rendered for the collective benefit of each of the members of the CES Group and the SpinCo Group, and that each of the members of the CES Group and the SpinCo Group should be deemed to be the client with respect to such services for the purposes of asserting all privileges which may be asserted under applicable Law in connection therewith. The Parties recognize that legal and other professional services will be provided following the Effective Time, which services will be rendered solely for the benefit of the CES Group or the SpinCo Group, as the case may be.

(b) The Parties agree as follows:

(i) VSI will be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the CES Business and not to the SpinCo Business, whether or not the Privileged Information is in the possession or under the control of any member of the CES Group or any member of the SpinCo Group.

VSI will also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any CES Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of any member of the CES Group or any member of the SpinCo Group; and

(ii) SpinCo will be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to the SpinCo Business and not to the CES Business, whether or not the Privileged Information is in the possession or under the control of any member of the SpinCo Group or any member of the CES Group. SpinCo will also be entitled, in perpetuity, to control the assertion or waiver of all privileges and immunities in connection with any Privileged Information that relates solely to any SpinCo Liabilities resulting from any Actions that are now pending or may be asserted in the future, whether or not the Privileged Information is in the possession or under the control of any member of the SpinCo Group or any member of the CES Group.

(iii) If the Parties do not agree as to whether certain information is Privileged Information, then such information will be treated as Privileged Information, and the Party that believes that such information is Privileged Information will be entitled to control the assertion or waiver of all privileges and immunities in connection with any such information until such time as it is determined by a court of competent jurisdiction that such information is not Privileged Information, unless the Parties otherwise agree. The Parties will use the procedures set forth in Article VII to resolve any Disputes as to whether any information relates solely to the CES Business, solely to the SpinCo Business, or to both the CES Business and the SpinCo Business.

(c) Subject to the remaining provisions of this Section 6.7, the Parties agree that they will have a shared privilege or immunity with respect to all privileges and immunities not allocated pursuant to Section 6.7(b) and all privileges and immunities relating to any Actions or other matters that involve both VSI and SpinCo (or one or more members of their respective Groups) and in respect of which both VSI and SpinCo have Liabilities under this Agreement, and that no such shared privilege or immunity may be waived by either Party (or another member of its Group) without the written consent of the other Party.

(d) If any Dispute arises between the Parties or any other members of their respective Groups regarding whether a privilege or immunity should be waived to protect or advance the interests of either Party or any other member of their respective Groups, each Party agrees that it will (i) negotiate with the other Party in good faith; (ii) endeavor to minimize any prejudice to the rights of the other Party (and the other members of the Group); and (iii) not unreasonably withhold consent to any request for waiver by the other Party. Further, each Party specifically agrees that it will not withhold its consent to the waiver of a privilege or immunity for any purpose except in good faith to protect its own legitimate interests.



(e) Subject to Section 6.9, in the event of any adversarial Action or Dispute between VSI and SpinCo, or any other members of their respective Groups, either Party may waive a privilege in which the other Party or member of such other Party's Group has a shared privilege, without obtaining consent pursuant to Section 6.8(c); provided that such waiver of a shared privilege will be effective only as to the use of information with respect to the Action or Dispute between the Parties or the applicable members of their respective Groups, and will not operate as a waiver of the shared privilege with respect to any Third Party.

(f) Upon receipt by either Party, or by any other member of its respective Group, of any subpoena, discovery or other request that may reasonably be expected to result in the production or disclosure of Privileged Information subject to a shared privilege or immunity or as to which the Party has the sole right hereunder to assert a privilege or immunity, or if either Party obtains knowledge that any of its, or any other member of its respective Group's, current or former directors, officers, agents or employees have received any subpoena, discovery or other requests that may reasonably be expected to result in the production or disclosure of such Privileged Information, such Party will promptly notify the other Party of the existence of the request (which notice will be delivered to such other Party no later than five business days following the receipt of any such subpoena, discovery or other request) and will provide the other Party a reasonable opportunity to review the Privileged Information and to assert any rights it or they may have under this Section 6.7 or otherwise, to prevent the production or disclosure of such Privileged Information.

(g) Any furnishing of, or access or transfer of, any information pursuant to this Agreement is made in reliance on the agreements of VSI and SpinCo set forth in this Section 6.7 and in Section 6.9 to maintain the confidentiality of Privileged Information and to assert and maintain all applicable privileges and immunities. The Parties agree that their respective rights to any access to information, witnesses and other Persons, the furnishing of notices and documents and other cooperative efforts between the Parties contemplated by this Agreement, and the transfer of Privileged Information between the Parties and members of their respective Groups pursuant to this Agreement, will not be deemed a waiver of any privilege that has been or may be asserted under this Agreement or otherwise.

(h) The Parties acknowledge that members of the CES Group and members of the SpinCo Group may have or develop interests adverse to each other following the Effective Time. Each Party hereby waives (i) any and all current and future objections to any outside counsel that represented VSI or any of its Affiliates prior to the Effective Time from continuing to represent or in the future representing their respective clients or either Party (or any members of such Party's Group) in any matter, including matters in which members of the CES Group and members of the SpinCo Group are adverse and Disputes relating to this Agreement or any Ancillary Agreement and (ii) all current and future rights to seek disqualification, whether based on the possession or

disclosure of confidential information or otherwise, of any such outside counsel from any representation of their respective clients or either Party (or any members of such Party's Group) in any matter, including matters in which members of the CES Group and members of the SpinCo Group are adverse and Disputes relating to this Agreement or any Ancillary Agreement.

(i) In connection with any matter contemplated by Section 6.6 or this Section 6.7, the Parties agree to, and to cause the other members of their respective Groups to, use commercially reasonable efforts to maintain their respective separate and joint privileges and immunities, including by executing joint defense and/or common interest agreements where necessary or useful for this purpose.

#### 6.8 Confidentiality.

(a) *Confidentiality.* Subject to Section 6.9, any Ancillary Agreement and any other agreement between the Parties or other members of their respective Groups, from and after the Effective Time until the five-year anniversary of the Effective Time, each of the Parties will, and will cause each other member of its respective Group to, and will cause its and their respective Representatives to, hold in strict confidence, with at least the same degree of care that applies to VSI's confidential and proprietary information pursuant to policies in effect as of the Effective Time, all confidential and proprietary information concerning the other Party or any other member of the other Party's respective Group or their respective businesses that is either in its possession (including confidential and proprietary information in its possession prior to the date hereof) or furnished by the other Party or any other member of such Party's Group or its or their respective Representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, and not use any such confidential and proprietary information other than for such purposes as will be expressly permitted hereunder or thereunder, except, in each case, to the extent that such confidential and proprietary information has been (i) in the public domain or generally available to the public, other than as a result of a disclosure by such Party or any other member of such Party's Group or any of their respective Representatives in violation of this Agreement, any Ancillary Agreement or any other agreement between the Parties or other members of their respective Groups, (ii) later lawfully acquired from other sources by such Party (or any other member of such Party's Group) which sources are not themselves bound by a confidentiality obligation or other contractual, legal or fiduciary obligation of confidentiality to the other Party (or any other member of such Party's Group) with respect to such confidential and proprietary information, (iii) independently developed or generated without reference to or use of any proprietary or confidential information of any other Party or any other member of such Party's Group, or (iv) determined by VSI, in its reasonable discretion, to be information required to be disclosed pursuant to federal, state or other applicable securities Laws or the rules of any applicable securities exchange, including in VSI's periodic filings made under the Exchange Act; provided, with respect to trade secrets of any other Party or any member of any other Party's Group or their respective businesses, the foregoing obligations and restrictions will remain in effect for so long as the relevant information remains a trade secret under applicable Law. If any confidential and proprietary information of one Party or any other member of such Party's Group is disclosed to the

other Party or any member of such other Party's Group in connection with providing services to such first Party or any other member of such first Party's Group under this Agreement or any Ancillary Agreement, then such disclosed confidential and proprietary information will be used only as required to perform such services.

(b) *No Release; Return or Destruction.* Each Party agrees not to release or disclose, or permit to be released or disclosed, any information addressed in Section 6.8(a) to any other Person, except its Representatives who need to know such information in their capacities as such (who will be advised of their obligations hereunder with respect to such information), except in compliance with Section 6.9. Without limiting the foregoing, when any such information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each Party will promptly after request of the other Party either return to the other Party all such information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or notify the other Party in writing that it has destroyed such information in accordance with applicable Laws and such that the information is no longer decipherable or Personal Information contained therein identifiable (and such copies thereof and such notes, extracts or summaries based thereon).

(c) *Third-Party Information; Privacy or Data Protection Laws.* Each Party acknowledges that it and members of such Party's Group may presently have and, following the Effective Time, may gain access to or possession of confidential or proprietary information of or Personal Information relating to Third Parties (i) that was received under privacy policies, data processing agreements and/or confidentiality or non-disclosure agreements entered into between such Third Parties, on the one hand, and the other Party or members of such other Party's Group, on the other hand, prior to the Effective Time; or (ii) that, as between the Parties, was originally collected by any other Party or members of such other Party's Group and that may be subject to privacy policies and data protection agreements, as well as privacy, data protection or other applicable Laws. Subject to any Ancillary Agreement and any other agreement between the Parties or other members of their respective Groups, each Party agrees that it will hold, protect and use, and will cause the members of its respective Group and its respective Representatives to hold, protect and use, in strict confidence the confidential and proprietary information of, or Personal Information relating to, Third Parties in accordance with applicable privacy policies, data processing agreements, and privacy, data protection or other applicable Laws and the terms of any agreements that were either entered into before the Effective Time or affirmative commitments or representations that were made before the Effective Time by, between or among any other Party or members of the other Party's Group, on the one hand, and such Third Parties, on the other hand. The Parties and/or other members of their respective Groups further agree to enter into data processing agreements or data transfer agreements applicable to the processing or transfer of Personal Information as may be required by applicable Laws.

6.9 Protective Arrangements. In the event that a Party or any other member of such Party's Group either determines on the advice of its counsel that it is required to disclose any information pursuant to applicable Law or receives any request or demand under lawful process or from any Governmental Authority to disclose or provide

information of the other Party (or any other member of the other Party's Group) that is subject to the confidentiality provisions hereof, such Party will notify the other Party (to the extent legally permitted) as promptly as practicable under the circumstances prior to disclosing or providing such information and will cooperate (to the extent reasonably practicable), at such other Party's cost and expense, in seeking any appropriate protective order reasonably requested by the other Party. In the event that such other Party fails to receive such appropriate protective order in a timely manner and the Party (or other member of such Party's Group) so required or receiving the request or demand reasonably determines that its failure to disclose or provide such information will actually prejudice the Party (or member of such Party's Group) so required or receiving the request or demand (or other member of such Party's Group), then the Party (or member of such Party's Group) so required or that received such request or demand (or other member of such Party's Group) may thereafter disclose or provide information to the extent required by such Law (as so advised by its counsel) or by lawful process or such Governmental Authority, and the disclosing Party (or other member of such Party's Group) will promptly provide the other Party with a copy of the information so disclosed, in the same form and format so disclosed, together with a list of all Persons to whom such information was disclosed, in each case to the extent legally permitted.

6.10 Other Agreements Providing for Exchange of Information. The rights and obligations granted under this Article VI 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.

## ARTICLE VII

### DISPUTE RESOLUTION

7.1 Dispute Process. The Parties agree that any dispute or disagreement between the Parties arising out of or relating to this Agreement or any Ancillary Agreements (other than a Third-Party Claim) (a "Dispute") will be resolved exclusively as follows: (a) first, the Parties will use commercially reasonable efforts to resolve the Dispute expeditiously through negotiation by engaging in an informal dispute resolution process with the possibility of mediation as provided in Section 7.2; and (b) if negotiation and any mediation fails, by resolving the Dispute in the U.S. District Court for the Southern District of New York (if a basis for U.S. federal court jurisdiction exists), or in the Commercial Division of the Supreme Court of the State of New York sitting in the County of New York (if a basis for U.S. federal court jurisdiction does not exist), or if those courts are not available in another court of competent jurisdiction located in the State of New York in the County of New York as provided in Section 7.3. Each Party agrees on behalf of itself and each member of its respective Group that the procedures set forth in this Article VII will be the exclusive means for resolution of any Dispute. The initiation of informal dispute resolution will toll the applicable statute of limitations and defenses based upon the passage of time for the duration of any negotiation and mediation until such time as any Party declares the tolling period to end plus 30 days, and the Parties agree to enter into such agreements or take such other actions as may be necessary to effectuate such period of tolling.

7.2 Informal Dispute Resolution.

(a) The Dispute resolution process will begin with a written notice from one Party to the other (a "Dispute Notice"), (i) reasonably describing the nature of any Dispute and including the outcome desired by the notifying Party and (ii) requesting the formation of the Steering Committee and referral of the Dispute to the Steering Committee for good faith negotiations and potential resolution.

(b) Within three business days of receipt of a Dispute Notice by either Party pursuant to Section 7.2(a), VSI and SpinCo will form a steering committee (the "Steering Committee"), which will be comprised of four members, two of whom will be appointed by VSI and two of whom will be appointed by SpinCo, to oversee the dispute resolution process provided in this Article VII. The Parties will use commercially reasonable efforts to cause their respective members of the Steering Committee to make a good faith effort to promptly resolve all Disputes referred to the Steering Committee pursuant to Section 7.2.

(c) Following referral of the matter to the Steering Committee, the Parties will cause the Steering Committee to meet as often as the Parties reasonably deem necessary in order to gather and furnish to the other all information with respect to the Dispute which the Parties believe to be appropriate and germane in connection with the resolution of the Dispute.

(d) During the course of the negotiation, subject to the Parties' respective confidentiality obligations and subject to the provisions of Article VI, all reasonable requests made by either Party to the other for information directly related to the Dispute will be honored in order that the members of the Steering Committee may be fully advised in the matter. The specific format for the Steering Committee's discussions and negotiations will be left to the discretion of the Steering Committee but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other Party.

(e) If the Dispute has not been resolved by the Steering Committee within 15 days following delivery of Dispute Notice, either Party may submit the Dispute for non-binding mediation to be conducted in New York, New York in accordance with the JAMS International Mediation Rules. The mediator may be mutually selected by the Parties or selected in accordance with the JAMS International Mediation Rules. The mediator will have 30 days from the date the Dispute is submitted to him or her (or such longer period as the Parties may mutually agree in writing) (the "Mediation Period") to attempt to resolve the Dispute, and the Parties agree to cooperate fully in the mediation process. If the Dispute has not been resolved through mediation within the Mediation Period, either Party may initiate litigation to resolve the Dispute in accordance with Section 7.3.

(f) Except as otherwise independently discoverable, nothing said or disclosed, nor any document produced, in the course of any negotiation or mediation to resolve a Dispute pursuant to this Section 7.2 will be offered or received as evidence or used for impeachment in any proceedings (including the proceedings contemplated in Section 7.3), as such information will be considered to have been disclosed for settlement purposes only.

### 7.3 Resolution by Courts.

(a) If the negotiation and any mediation contemplated by Section 7.2 does not resolve the Dispute, and a Party wishes to pursue its rights relating to such Dispute, then, except as provided in and subject to Section 7.4, such Dispute may be brought and resolved in the U.S. District Court for the Southern District of New York (if a basis for U.S. federal court jurisdiction exists), or in the Commercial Division of the Supreme Court of the State of New York sitting in the County of New York (if a basis for U.S. federal court jurisdiction does not exist), or if those courts are not available in such other court of competent jurisdiction located in the State of New York in the County of New York and the appellate courts having jurisdiction of appeals in such courts. In that context, and without limiting the generality of the foregoing, each Party irrevocably and unconditionally:

(i) submits for itself and its property to the exclusive jurisdiction of such courts with respect to any Dispute, and agrees that all claims in respect of any Dispute will be heard and determined in such courts;

(ii) agrees that venue would be proper in such courts, and waives any objection that it may now or hereafter have that any such court is an improper or inconvenient forum for the resolution of any Dispute;

(iii) agrees that the mailing of any process required by any such court by certified or registered mail, return receipt requested, to the other Party at such Party's notice address pursuant to Section 10.6 will be effective service of process; provided, however, that nothing herein will be deemed to prevent a Party from making service of process by any other means authorized by Law.

(b) The foregoing consent to jurisdiction will not constitute submission to jurisdiction or general consent to service of process in the State of New York for any purpose except with respect to any Dispute.

7.4 Interim Relief. Notwithstanding any other provision of this Article VII, at any time during the existence of a Dispute between the Parties, either Party may request a court of competent jurisdiction to grant provisional interim relief (a) for the purpose of preventing or minimizing irreparable harm for which money damages would not provide adequate relief, or (b) for matters involving the disclosure of such Party's confidential information. A delay in seeking injunctive relief attributable to following the procedures of this Article VII or otherwise seeking to amicably resolve the Dispute with the other Party will not serve as a basis to object to a request for injunctive relief.

7.5 Failure of a Party to Comply with Dispute Resolution Process. If either Party does not act in accordance with this Article VII, then the other Party may seek all remedies available at law or in equity to enforce this Article VII.

7.6 Expenses. In the event of any Dispute, the prevailing party will be entitled to recover its costs, expenses and attorneys' fees incurred in pursuit and resolution of any Dispute from the other party.

7.7 Waiver of Jury Trial. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY DISPUTE AND COVENANTS THAT NEITHER IT NOR ANY OF ITS AFFILIATES OR REPRESENTATIVES WILL ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO SUCH TRIAL BY JURY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (B) SUCH PARTY MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY AND (C) SUCH WAIVER CONSTITUTES A MATERIAL INDUCEMENT UPON WHICH SUCH PARTY IS RELYING AND WILL RELY IN ENTERING INTO THE TRANSACTION AGREEMENTS. EACH PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 7.7 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF EACH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

7.8 Continuation of Services and Commitments. Unless otherwise agreed in writing, the Parties will, and will cause the members of their respective Groups to, continue to honor all commitments under this Agreement and each Ancillary Agreement to the extent required by such agreements during the course of the Dispute resolution pursuant to this Article VII unless such commitments or obligations are the specific subject of the Dispute at issue.

7.9 Dispute Resolution Coordination. Except to the extent otherwise provided in Section 13 of the Tax Matters Agreement, the provisions of this Article VII (other than this Section 7.9) will not apply with respect to the resolution of any dispute, controversy or claim arising out of or relating to Taxes or Tax matters (it being understood and agreed that the resolution of any dispute, controversy or claim arising out of or relating to Taxes or Tax matters will be governed by the Tax Matters Agreement).

## ARTICLE VIII

### FURTHER ASSURANCES AND ADDITIONAL COVENANTS

#### 8.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties will (and will cause each member of its Group to) use its reasonable best efforts, prior to, at and after the Effective Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, at and after the Effective Time, each Party will (and will cause each member of its Group to) cooperate with the other Party, and without any further consideration, but at the expense of the requesting Party, to execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all Approvals or Notifications of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any consents or Governmental Approvals), and to take all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the SpinCo Assets and the CES Assets and the assignment and assumption of the SpinCo Liabilities and the CES Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each Party will (and will cause each member of its Group to), at the reasonable request, cost and expense of the other Party, take such other actions as may be reasonably necessary to vest in such other Party good and marketable title to the Assets transferred or allocated to such Party under this Agreement or any of the Ancillary Agreements, free and clear of any Security Interest, if and to the extent it is practicable to do so.

(c) At or prior to the Effective Time, VSI and SpinCo, in their respective capacities as direct and indirect shareholders of other members of their respective Groups, will each approve or ratify any actions that are reasonably necessary or desirable to be taken by VSI, SpinCo or any of the other members of their respective Groups, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

(d) Nothing in this Article VIII will limit or affect the provisions of Section 3.1(a) or Article IX.

## 8.2 Non-Competition; Non-Solicitation.

(a) As an essential consideration for the obligations of the Parties under this Agreement, and in contemplation of the consummation of the Separation and the Distribution, each of VSI and SpinCo hereby agrees that, for a period of 36 months following the Spin-off Date (the “Non-Compete Period”), such Party will not, and will cause each other member of its respective Group not to, directly or indirectly own, invest in, operate, manage, control, participate or engage in any Prohibited Business. “Prohibited Business” means (i) with respect to any member of the CES Group, the SpinCo Business as conducted immediately following the Effective Time; and (ii) with respect to any member of the SpinCo Group, the CES Business as conducted immediately following the Effective Time; provided, that nothing in this Section 8.2 will prohibit the ownership by VSI or SpinCo, as the case may be, or any member of its Group, of debt, equity or other class of securities of any Person that owns, invests in, operates, manages, controls,



participates or engages directly or indirectly in a Prohibited Business, provided ownership of such securities (either directly, indirectly or upon conversion) is less than 5% of such class of securities of such Person.

(b) In the event that a merger, acquisition, consolidation or other business combination with another Person that directly or indirectly owns, invests in, operates, manages, controls, participates or engages in a Prohibited Business results in VSI or SpinCo, as the case may be, directly or indirectly owning, investing in, operating, managing, controlling, participating or engaging in a Prohibited Business in breach of Section 8.2(a) at the time of such transaction, the parties to such transaction will have a period of 365 days from the date of the closing or consummation of such transaction to cure (by divestiture or otherwise, including, for the avoidance of doubt, in the event that such 365-day cure period extends beyond the expiration of the Non-Compete Period) such failure before the parties are deemed to be in breach of this Section 8.2.

(c) For a period of 36 months following the Spin-off Date, each Party will not, and will cause its Subsidiaries not to, without the prior written approval of the other Party, directly or indirectly (i) interfere with or influence the business arrangement, whether contractual or otherwise, between any customer of the other Party or member of its respective group, or (ii) solicit any Person who was a customer of the other Party or member of its respective Group to terminate or alter its relationship with the other Party or member of its respective Group. For the avoidance of doubt, VSI and SpinCo may provide services to the same party during such period.

(d) For a period of 36 months following the Spin-off Date, each Party will not, and will cause its Subsidiaries not to, without the prior written approval of the other Party, directly or indirectly solicit (or cause to be directly or indirectly solicited) for employment any employee of the other Party's respective Group; provided that the foregoing restriction will not apply to (i) generalized searches for employees through media advertisements of general circulation, employment search firms, open job fairs or other similar means which are not specifically targeted at such employees or hiring any person that responds to such generalized search or (ii) any such employees whose employment is terminated by the other Party or any member of its respective Group or who voluntarily terminates his or her employment prior to any such solicitation by the other Party.

(e) It is the intention of each of the Parties that if any of the restrictions or covenants contained in this Section 8.2 is held by a court of competent jurisdiction to cover a geographic area or to be for a length of time that is not permitted by applicable Law, or is in any way construed by a court of competent jurisdiction to be too broad or to any extent invalid, such provision will be construed and interpreted or reformed by a court of competent jurisdiction to provide for a covenant having the maximum enforceable geographic area, time period and other provisions (not greater than those contained in this Section 8.2) as will be valid and enforceable under such Law. Each of VSI and SpinCo acknowledges that any breach of the terms, conditions or covenants set forth in this Section 8.2 will be competitively unfair and may cause irreparable damage to the other Party because of the special, unique, unusual and extraordinary character of the

business of the CES Group and the SpinCo Group, respectively, and the recovery of damages at Law will not be an adequate remedy. Accordingly, each of the Parties agrees that for any breach of the terms, covenants or agreements of this Section 8.2, a restraining order or an injunction or both may be issued against the breaching Party, in addition to any other rights or remedies a non-breaching Party may have.

(f) Nothing in this Section 8.2 will prohibit directors or officers of VSI from serving on SpinCo's board of directors nor from serving as directors or officers of VSI during or following their service on SpinCo's board of directors. Notwithstanding the foregoing, the Parties will staff the boards of directors of VSI and SpinCo in a manner that does not contravene the Parties' intention that the Distribution qualify as a transaction that is generally tax-free under Section 355 of the Code for U.S. federal income tax purposes.

## ARTICLE IX

### TERMINATION

9.1 Termination. Notwithstanding any provision to the contrary, this Agreement and all Ancillary Agreements may be terminated and the Distribution may be amended, modified or abandoned at any time prior to the Effective Time by VSI, in its sole and absolute discretion, without the approval or consent of any other Person, including SpinCo. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by a duly authorized officer of each of the Parties.

9.2 Effect of Termination. In the event of any termination of this Agreement prior to the Effective Time, this Agreement and all Ancillary Agreements will become void and no Party (nor any of its Affiliates, directors, officers or employees) will have any Liability or further obligation to the other Party (or any of its Affiliates) by reason of this Agreement.

## ARTICLE X

### MISCELLANEOUS

#### 10.1 Counterparts; Entire Agreement; Corporate Power; Facsimile Signatures.

(a) This Agreement may be executed in one or more counterparts (including by facsimile, PDF or other electronic transmission), all of which will be considered one and the same agreement.

(b) This Agreement and the Ancillary Agreements contain the entire agreement between the Parties with respect to the subject matter hereof, and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter.

(c) Each Party represents and warrants to the other Party as follows:

(i) it has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and

(ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof.

10.2 Governing Law. This Agreement and, unless expressly provided therein, each Ancillary Agreement will be governed by and construed and interpreted in accordance with the Laws of the State of Delaware without regard to rules of conflicts of laws.

10.3 Coordination with Ancillary Agreements. Except as expressly set forth in the applicable Ancillary Agreement, in the case of any conflict between this Agreement, on the one hand, and any Ancillary Agreement (other than a Transfer Document), on the other, in relation to matters specifically addressed by such Ancillary Agreement, the applicable Ancillary Agreement, will prevail. For the avoidance of doubt, in the case of any conflict between this Agreement and any Ancillary Agreement (other than a Transfer Document), on the one hand, and any Transfer Document, on the other, this Agreement or the Ancillary Agreement that is not a Transfer Document will prevail. In addition, for the avoidance of doubt, the Tax Matters Agreement will govern all matters (including any indemnities and payments among the Parties and each other member of their respective Groups and the allocation of any rights and obligations pursuant to agreements entered into with Third Parties) relating to Taxes or otherwise expressly addressed in the Tax Matters Agreement.

10.4 Binding Effect; Assignability. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that no Party may assign any of its rights or assign or delegate any of its obligations under this Agreement without the express prior written consent of the other Party.

10.5 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and their respective Subsidiaries, Affiliates, successors and assigns and will not be deemed to confer upon any other Person any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement. The Parties agree that each SpinCo Indemnitee and CES Indemnitee who is not a party to this Agreement is an intended third party beneficiary of the indemnification provisions of this Agreement

10.6 Notices. All notices, requests and other communications to any Party hereunder will be in writing and will be deemed given if delivered personally, emailed (which is confirmed) or sent by overnight courier (providing proof of delivery) to the Parties at the following addresses:

If to VSI, to:

Verint Systems Inc.  
175 Broadhollow Road  
Melville, New York 11747  
Attention: Chief Administrative Officer  
Email: peter.fante@verint.com

with a copy to (which will not constitute notice):

Jones Day  
250 Vesey Street  
New York, New York 10281  
Attention: Randi C. Lesnick  
Email: rclesnick@JonesDay.com

If to SpinCo to:

Cognyte Software Ltd.  
33 Maskit  
Herzliya Pituach 4673333  
Israel  
Attention: Ziv Levi, Chief Legal Officer  
Email: ziv.levi@cognyte.com

with a copy to (which will not constitute notice):

Meitar Law Offices  
16 Abba Hillel Rd.  
Ramat Gan 5250608  
Israel  
Attention: Dan Shamgar  
Email: dshamgar@meitar.com

A Party may, by notice to the other Party, change the address to which such notices are to be given. All such notices, requests and other communications will be deemed received on the date of actual receipt by the recipient thereof if received prior to 5:00 p.m. local time in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication will be deemed not to have been received until the next succeeding business day in the place of receipt.

10.7 Severability. If any provision of this 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 the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid, void or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties will negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect, as closely as possible, the original intent of the Parties.

10.8 Force Majeure. No Party will be deemed in default of this Agreement or (unless otherwise expressly provided therein) any Ancillary Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) will be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision will, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement and the Ancillary Agreements as soon as reasonably practicable.

10.9 Expenses. Except as otherwise expressly set forth in this Agreement or any Ancillary Agreement, or as otherwise agreed to in writing by the Parties, all out-of-pocket fees, costs and expenses incurred prior to the Effective Time in connection with the preparation, execution, delivery and implementation of this Agreement and any Ancillary Agreement, the Separation, the Form 20-F and the Distribution and the consummation of the transactions contemplated hereby and thereby will be borne by the Party or the applicable member of such Party's Group incurring such fees, costs or expenses.

10.10 Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

10.11 Survival of Covenants. Except as expressly set forth in this Agreement, the covenants and agreements contained in this Agreement, and Liability for the breach of any such obligations contained herein, will survive the Separation and the Distribution and will remain in full force and effect.

10.12 Waivers of Default; Remedies Cumulative. Waiver by a Party of any default by another Party of any provision of this Agreement will not be deemed a waiver by the waiving Party of any subsequent or other default, nor will it prejudice the rights of another Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

10.13 Specific Performance. Subject to the provisions of Article VII, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party who is, or is to be, thereby aggrieved will have the right to specific performance and injunctive or other equitable relief in respect of its rights

under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies will be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

10.14 **Amendments.** No provisions of this Agreement may be waived, amended, supplemented or modified, 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.

10.15 **Interpretation.** In this Agreement and the Ancillary Agreements (unless otherwise expressly provided therein), (a) words in the singular will be deemed to include the plural and vice versa and words of one gender will be deemed to include the other genders as the context requires; (b) the terms “hereof,” “herein,” and “herewith” and words of similar import will, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Schedules and Exhibits hereto) and not to any particular provision of this Agreement; (c) Article, Section, Schedule and Exhibit references are to the Articles, Sections, Schedules and Exhibits to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement (including this Agreement and each Ancillary Agreement) will be deemed to include the exhibits, schedules and annexes to such agreement; (e) references to “\$” will mean U.S. dollars; (f) the word “including” and words of similar import when used in this Agreement will mean “including, without limitation,” unless otherwise specified; (g) the word “or” will not be exclusive; (h) unless otherwise specified in a particular case, the word “days” refers to calendar days; (i) references to “written” or “in writing” include in electronic form; (j) references to “business day” will mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States, or Israel as the context requires; (k) references herein to this Agreement or any other agreement contemplated herein will be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (l) unless expressly stated to the contrary in this Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import will all be references to February 1, 2021.

10.16 **Limitations of Liability.** Notwithstanding anything in this Agreement to the contrary, neither SpinCo or any other member of the SpinCo Group, on the one hand, nor VSI or any other member of the CES Group, on the other hand, will be liable under this Agreement to the other for any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other (other than any such damages awarded to a Third Party with respect to a Third-Party Claim).

10.17 **Performance.** VSI will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the CES Group. SpinCo will

cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the SpinCo Group.

10.18 Mutual Drafting. This Agreement and the Ancillary Agreements will be deemed to be the joint work product of the Parties, and any rule of construction that a document will be interpreted or construed against a drafter of such document will not be applicable.

*[Remainder of page intentionally left blank]*

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

VERINT SYSTEMS INC.

By: /s/ Douglas E. Robinson

Name: Douglas E. Robinson

Title: Chief Financial Officer

COGNYTE SOFTWARE LTD.

By: /s/ David Abadi

Name: David Abadi

Title: Chief Financial Officer

*[Signature Page to Separation and Distribution Agreement]*



**TAX MATTERS AGREEMENT**

**BETWEEN  
VERINT SYSTEMS INC.**

**AND  
COGNYTE SOFTWARE LTD.**

**DATED AS OF FEBRUARY 1, 2021**

## TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT (this “**Agreement**”) dated as of February 1, 2021, is between Verint Systems Inc., a Delaware corporation (“**VSI**”), and Cognyte Software Ltd., an Israeli company limited by shares (“**SpinCo**”).

### RECITALS

- A. SpinCo and VSI are parties to that certain Separation and Distribution Agreement dated as of February 1, 2021 (the “**Separation and Distribution Agreement**”).
- B. The Board of Directors of VSI has determined that it would be appropriate and desirable to completely separate the SpinCo Business from VSI;
- C. As of the date hereof, VSI is the common parent of an affiliated group of corporations within the meaning of Section 1504(a) of the Code that has elected to file consolidated U.S. Federal income tax returns (“**VSI Consolidated Group**”);
- D. SpinCo is a wholly owned subsidiary of VSI;
- E. Pursuant to the Separation and Distribution Agreement, VSI and SpinCo have agreed to separate the SpinCo Business from VSI by means of the Separation and Distribution and, in connection with the Separation and Distribution, Cognyte Systems Ltd., an Israeli company limited by shares, will become a wholly-owned subsidiary of SpinCo and Cognyte Systems Ltd. will become the 1%, general partner in Cognyte Software LP, a Delaware limited partnership, with SpinCo as the 99% limited partner, and Cognyte Technology Israel Ltd. will become a wholly-owned subsidiary of Cognyte Software LP;
- F. VSI and SpinCo intend that (i) the Separation and Distribution qualify for non-recognition of gain or loss under Sections 361 and 355 of the Code, to VSI and VSI’s stockholders, and (ii) the transactions described in the Separation and Distribution Agreement generally qualify for non-recognition of gain or loss or tax exemption under Israeli Tax Ordinance or the ITA Private Letter Ruling ((i) and (ii), collectively, “**Tax-Free Status**”);
- G. The Parties desire to provide for and agree upon the allocation between the Parties of liabilities for Taxes arising prior to, as a result of, and subsequent to the Distribution and Separation, and to provide for and agree upon other matters relating to Taxes.

In consideration of the forgoing and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## ARTICLE I.

### DEFINED TERMS.

1.1 General. Unless otherwise defined herein, each capitalized term will have the meaning specified for such term in the Separation and Distribution Agreement. As used in this Agreement:

**“Adjustment Request”** means any claim or request filed with any Tax Authority for the adjustment, refund, or credit of Taxes, including (i) any adjustment pursuant to an amended Tax Return and (ii) any claim for a refund or credit of Taxes.

**“Affiliate”** means any entity that is directly or indirectly “controlled” by either the person in question or an Affiliate of such person. “Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract or otherwise. The term Affiliate shall refer to Affiliates of a person as determined at the relevant time for the determination, *provided* that, for the period from and after the Separation Completion Time no member of the VSI Group shall be deemed an Affiliate of the SpinCo Group and no member of the SpinCo Group shall be deemed an Affiliate of the VSI Group.

**“Agreement”** has the meaning set forth in the Preamble.

**“Code”** means the U.S. Internal Revenue Code of 1986, as amended.

**“Controlling Party”** has the meaning set forth in Section 9.2(f).

**“Distribution Date”** means the date on which the Distribution occurs.

**“Federal Income Tax”** means any Tax imposed by Subtitle A of the Code, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing (without regard to any offsetting Tax Attributes).

**“Federal Other Tax”** means any Tax (other than Federal Income Taxes) imposed by the Code, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

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

**“Filing Party”** has the meaning set forth in Section 3.1.

**“Final Determination”** means the final resolution of liability for any Income Tax or Other Tax for any Tax Period by or as a result of (i) a final and unappealable decision, judgment, decree or other order of a court of competent jurisdiction; (ii) a final settlement, compromise or other agreement with the relevant Tax Authority, an agreement that constitutes a determination under Section 1313(a)(2) or (4) of the Code, an agreement contained in an IRS Form 870 or 870-AD or comparable form, a closing agreement or

accepted offer in compromise under Section 7121 or 7122 of the Code, or a comparable agreement under State, local or Foreign law, provided, however, that any agreement pursuant to Section 1313(a)(2) or (4) of the Code, only to the extent entered into with the consent of both Companies (such consent not to be unreasonably withheld, conditioned or delayed); (iii) any allowance of a refund or credit in respect of an overpayment of Income Tax or Other Tax, but only after the expiration of all Tax Periods during which such refund may be recovered (including by way of offset) by the jurisdiction imposing such Income Tax or Other Tax; (iv) the expiration of the applicable statute of limitations; or (v) payment of such Tax, if assessed by a Tax Authority, pursuant to an agreement in writing by, as relevant, VSI and SpinCo (or any of their Affiliates) to accept such assessment.

**“Foreign”** means any jurisdiction other than the United States or any State or subdivision thereof.

**“Foreign Income Tax”** means any Tax imposed by any Foreign country or any possession of the United States, or by any political subdivision of any Foreign country or United States possession, that is an income tax as defined in Treasury Regulation Section 1.901-2, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing (without regard to any offsetting Tax Attributes).

**“Foreign Other Tax”** means any Tax imposed by any Foreign country or any possession of the United States, or by any political subdivision of any Foreign country or United States possession (other than any Foreign Income Taxes), and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

**“Foreign Tax”** means any Foreign Income Tax and/or Foreign Other Tax.

**“Group”** means the VSI Group or the SpinCo Group, or both, as the context requires.

**“Income Tax”** means any Federal Income Tax, State Income Tax and/or Foreign Income Tax.

**“Income Tax Return”** means any Tax Return with respect to any Income Tax.

**“IRS”** means the United States Internal Revenue Service.

**“IRS Private Letter Ruling”** means the private letter ruling issued to VSI by the IRS, dated November 23, 2020.

**“ITA”** means the Israel Tax Authority.

**“ITA Private Letter Ruling”** means the private letter ruling issued to Verint Systems Ltd. by the ITA, dated December 31, 2020.

**“Non-Controlling Party”** has the meaning set forth in Section 9.2(f).

**“Non-Responsible Party”** means, with respect to any Tax Return, the Party that is not the Responsible Party.

**“Other Tax”** means any Federal Other Tax, State Other Tax, and/or Foreign Other Tax.

**“Past Practices”** has the meaning set forth in Section 3.2(a).

**“Payment Date”** means (i) with respect to any Tax Return for U.S. federal income tax purposes, the due date for any required installment of estimated Taxes determined under Section 6655 of the Code, the due date (determined without regard to extensions) for filing the Return determined under Section 6072 of the Code, and the date the Return is filed; and (ii) with respect to any other Tax Return, the corresponding dates determined under the applicable Tax Law.

**“Person”** means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof, without regard to whether any entity is treated as disregarded for U.S. federal income tax purposes.

**“Post-Separation Completion Period”** means any Tax Period beginning after the Separation Completion Date, and, in the case of any Straddle Period, the portion of such Straddle Period beginning the day after the Separation Completion Date.

**“Pre-Separation Completion Period”** means any Tax Period ending on or before the Separation Completion Date, and, in the case of any Straddle Period, the portion of such Straddle Period ending on the Separation Completion Date.

**“Prime Rate”** means the base rate on corporate loans charged by JPMorgan Chase Bank, N. A. from time to time, compounded daily on the basis of a year of 365 or 366 (as applicable) days and actual days elapsed.

**“Proposed Acquisition Transaction”** means a transaction or series of transactions (or any agreement, understanding or arrangement, within the meaning of Section 355(e) of the Code and Treasury Regulation Section 1.355-7, to enter into a transaction or series of transactions), whether such transaction is supported by SpinCo or VSI, as applicable, management or shareholders, is a hostile or unsolicited acquisition, or otherwise, as a result of which VSI or SpinCo would merge, join or consolidate with any other Person or as a result of which any Person or any group of related Persons would (directly or indirectly) acquire, or have the right to acquire, from VSI or SpinCo and/or one or more holders of outstanding shares of VSI Capital Stock or SpinCo Capital Stock, as applicable and including through a stock offering or other issuance, a number of shares of VSI Capital Stock or SpinCo Capital Stock that would, when combined with any other changes in ownership of VSI Capital Stock or SpinCo Capital Stock pertinent for purposes of Section 355(e) of the Code, equal or exceed the Fifty-Percent or Greater Interest in relation to (A) the value of all outstanding shares of VSI Capital Stock or SpinCo Capital Stock as of the date of such transaction, or in the case of a series of transactions, the date

of the last transaction of such series, or (B) the total combined voting power of all outstanding shares of VSI Capital Stock or SpinCo Capital Stock as of the date of such transaction, or in the case of a series of transactions, the date of the last transaction of such series. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (i) the adoption by VSI or SpinCo of a shareholder rights plan that meets the requirements of Revenue Ruling 90-11, (ii) issuances of stock by VSI or SpinCo that satisfy 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) or (iii) transfers of stock on an established securities market that are described in Safe Harbor VII of Treasury Regulation Section 1.355-7(d). For this purpose, any recapitalization, repurchase or redemption of VSI Common Stock or other VSI Capital Stock or SpinCo Common Stock or other SpinCo Capital Stock (as the case may be) and any amendment to the certificate of incorporation (or other organizational documents) of VSI or SpinCo (as the case may be) shall be treated as an indirect acquisition of such stock by any shareholder to the extent such shareholder's percentage interest, in interests that are treated as outstanding equity in VSI or SpinCo (as the case may be) for U.S. federal income tax purposes, increases by vote or value. This definition and the application thereof are intended to monitor compliance with Section 355(e) of the Code and shall be interpreted accordingly. Any clarification of, or change in, the statute or regulations promulgated under Section 355(e) of the Code shall be incorporated in this definition and its interpretation.

**"Remaining Business"** means any business conducted by VSI and its Affiliates prior to the Distribution other than the SpinCo Business, and all business conducted by VSI and its Affiliates after the Separation.

**"Responsible Party"** means, with respect to any Tax Return, the person having the primary responsibility for preparing such Tax Return under this Agreement.

**"Restricted Actions"** means, with respect to SpinCo, the actions listed in Sections 6.2(a), (b) and (c) and, with respect to VSI, the actions listed in Sections 6.3(a), (b) and (c).

**"Restriction Period"** has the meaning set forth in Section 6.2(b).

**"Ruling"** means a private letter ruling issued by the IRS or the ITA to VSI, SpinCo, or any of their Affiliates to the effect that a transaction will not affect the Tax-Free Status.

**"Ruling Request"** means any letter filed by VSI, SpinCo, or any of their Affiliates with the IRS or the ITA requesting a Ruling (including all attachments, exhibits, and other materials submitted with such ruling request letter) and any amendment or supplement to such ruling request letter.

**"Separate Return"** means a VSI Separate Return or a SpinCo Separate Return, or both, as the context requires.

**"Separation Completion Date"** means the date on which the Separation Completion Time occurs.

“**SpinCo**” has the meaning set forth in the Preamble.

“**SpinCo Active Trade or Business**” means the active conduct (within the meaning of Section 355(b)(2) of the Code and the Treasury Regulations thereunder) by VSI and its “separate affiliated group” (within the meaning of in Section 355(b)(3)(B) of the Code) of the SpinCo Business as conducted immediately prior to the Separation.

“**SpinCo Adjustment**” means any proposed adjustment by a Tax Authority or claim for refund or credit asserted in a Tax Contest to the extent that, under this Agreement, SpinCo would be exclusively liable for any resulting Tax or exclusively entitled to receive any resulting Tax Benefit.

“**SpinCo Capital Stock**” means all classes or series of stock of SpinCo, including (i) the SpinCo Common Stock, (ii) all options, warrants and other rights to acquire such stock and (iii) all instruments properly treated as stock in SpinCo for U.S. federal income tax purposes.

“**SpinCo Carryback**” means any net operating loss, net capital loss, excess tax credit, or other similar Tax Attribute of any member of the SpinCo Group which may or must be carried from one Tax Period to a prior Tax Period under the Code or other applicable Tax Law.

“**SpinCo Common Stock**” means the single class of authorized and outstanding common stock of SpinCo immediately after the Distribution.

“**SpinCo Foreign Combined Income Tax Return**” means a consolidated, combined, unitary or other similar Tax Return for Foreign Income Taxes or any Tax Return for Foreign Income Taxes with respect to any profit and/or loss sharing group, group payment or similar group or fiscal unity, in each case, that exclusively includes, by election or otherwise, two or more members of the SpinCo Group.

“**SpinCo Group**” means (a) prior to the Separation Completion Time, SpinCo and each Person that will be a Subsidiary of SpinCo as of immediately after the Separation Completion Time, including the Transferred Entities, even if, prior to the Separation Completion Time, such Person is not a Subsidiary of SpinCo; and (b) at and after the Separation Completion Time, SpinCo and each Person that is a Subsidiary of SpinCo.

“**SpinCo Group Return**” means any Income Tax Return exclusively of SpinCo and/or any member of the SpinCo Group.

“**SpinCo Listed Action**” has the meaning set forth in Section 6.5(b).

“**SpinCo Separate Return**” means any Return of SpinCo or any member of the SpinCo Group that is not a SpinCo State Combined Income Tax Return or SpinCo Foreign Combined Income Tax Return.

**“SpinCo State Combined Income Tax Return”** means a consolidated, combined, unitary or other similar Tax Return for State Income Taxes that exclusively includes, by election or otherwise, two or more members of the SpinCo Group.

**“State”** means any of the 48 contiguous states of the United States, plus Alaska, Hawaii and the District of Columbia.

**“State Income Tax”** means any Tax imposed by any State of the United States or by any political subdivision of any such State which is based upon, measured by, or calculated with respect to: (i) net income or profits or net receipts, however denominated (including any capital gains, minimum Tax, or any Tax on items of Tax preference, but not including sales, use, real or personal property, value added, escheat, excise (other than excise taxes based on or measure by net income, receipts, or earnings), goods and services, customs or transfer or similar Taxes) or (ii) multiple bases (including franchise, doing business and occupation Taxes) if one or more bases upon which such Tax may be based, measured by, or calculated with respect to, is described in clause (i), together, in each case, with any interest, penalties, additions to tax or additional amounts in respect of the foregoing (in each case, without regard to any offsetting Tax Attributes).

**“State Other Tax”** means any Tax imposed by any State of the United States or by any political subdivision of any such State (other than any State Income Taxes), including, for the avoidance of doubt, sales, use, real or personal property, value added, escheat, excise, goods and services, customs, or transfer or similar Taxes, and any interest, penalties, additions to tax, or additional amounts in respect of the foregoing.

**“State Tax”** means any State Income Taxes and/or State Other Taxes.

**“Straddle Period”** means any Tax Period that begins on or before and ends after the Separation Completion Date.

**“Tax”** or **“Taxes”** means (i) any income, capital gain or loss, franchise, profits, minimum, base erosion, gross receipts, estimated, ad valorem, net worth, transfer, value added, sales, use, real or personal property, payroll, withholding, employment, social security, excise, stamp, registration, alternative, add-on minimum, unclaimed property, escheat or other tax of whatever kind (including any fee, assessment or other charges in the nature of or in lieu of any tax) payable to any Tax Authority or other Governmental Authority and (ii) any interest, fines, penalties or additions imposed with respect thereto.

**“Tax Adjustment”** means an adjustment of any item of income, gain, loss, deduction, credit or other Tax Attribute.

**“Tax Advisor”** means an independent tax counsel or an accounting firm of recognized national standing in the United States or other applicable jurisdiction that imposes the Tax in respect of which advice is rendered or an opinion is delivered, *provided that*, for the avoidance of doubt, if acceptable to the Parties, the Tax Advisor for a matter can be the auditor of any of the Parties.



**“Tax Attribute”** means a net operating loss, net capital loss, unused investment credit, unused Foreign tax credit, Section 163(j) carryforward, excess charitable contribution, general business credit, alternative minimum tax credit or any other Tax Item that could reduce a Tax (including, for the avoidance of doubt, additions to the basis of property), in each case, including (x) the equivalent thereof under any non-U.S. Tax Laws and (y) any such items computed on a consolidated, combined, or unitary basis.

**“Tax Authority”** means, with respect to any Tax, the Governmental Authority that imposes such Tax, and the agency (if any) charged with the administration, assessment, or collection of such Tax for such Governmental Authority.

**“Tax Benefit”** means any refund, credit, or other reduction in Taxes.

**“Tax Contest”** means an audit, review, examination, or any other administrative or judicial proceeding with the purpose or effect of redetermining Taxes (including any administrative or judicial review of any claim for refund).

**“Tax-Free Status”** has the meaning set forth in the Recitals.

**“Tax Item”** means, with respect to any Income Tax, any item of income, gain, loss, deduction, or credit.

**“Tax Law”** means any law, statute, code, regulation, rule, ordinance, policy, guideline, decision, decree, order, ruling or other requirement of any Governmental Authority relating to any Tax.

**“Tax Materials”** means representation letters and any other materials delivered or deliverable by VSI, SpinCo, or any other member of their respective Group in connection with obtaining the IRS Private Letter Ruling, the ITA Private Letter Ruling and the rendering by Jones Day of the Tax Opinion.

**“Tax Matters Dispute”** has the meaning set forth in [Section 13.1](#).

**“Tax Opinion”** means the opinion of Jones Day, deliverable to VSI relating to the Tax-Free Status of the Distribution.

**“Tax Period”** means, with respect to any Tax, the period for which the Tax is reported as provided under the Code or other applicable Tax Law.

**“Tax Records”** means any Tax Returns, Tax Return workpapers, documentation relating to any Tax Contests, and any other books of account or records (whether or not in written, electronic or other tangible or intangible forms and whether or not stored on electronic or any other medium) required to be maintained under the Code or other applicable Tax Laws or under any record retention agreement with any Tax Authority.

**“Tax-Related Losses”** means (i) all U.S. federal, state and local and Foreign Taxes imposed (without regard to any offsetting Tax Attributes) on VSI (or any its Affiliates) or SpinCo (or any its Affiliates), as applicable, pursuant to any settlement, Final

Determination, judgment or otherwise; (ii) all accounting, legal and other professional fees, and court costs incurred by VSI or SpinCo in connection with such Taxes; and (iii) all costs, expenses and damages associated with stockholder litigation or controversies and any amount paid by VSI (or any VSI Affiliate) or SpinCo (or any SpinCo Affiliate) in respect of the liability of shareholders, whether paid to shareholders or to the IRS or any other Tax Authority, in each case of clause (i), (ii), or (iii), resulting from the failure of the Distribution and Separation to qualify (in whole or in part) for Tax-Free Status.

**“Tax-Related Loss Contribution”** has the meaning set forth in Section 6.4(c).

**“Tax Return”** or **“Return”** means any return or report of Taxes due, any claim for refund of Taxes paid, any information return with respect to Taxes, or any other similar return, report, statement, declaration, or document required to be filed under the Code or other Tax Law, including any attachments, schedules, exhibits, or other materials submitted with any of the foregoing, and including any amendments or supplements to any of the foregoing.

**“Tax Return Objection Notice”** has the meaning set forth in Section 3.5.

**“Transfer Taxes”** means all sales, use, transfer, recordation, documentary, stamp, value added or similar Other Taxes.

**“Treasury Regulations”** means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Period.

**“Unapproved VSI Action”** means any act or failure to act by VSI or any VSI Affiliate that was undertaken, approved, or authorized without the approval of a majority of the VSI Directors.

**“Unqualified Tax Opinion”** means an unqualified “will” opinion of a Tax Advisor, which Tax Advisor is acceptable to VSI, on which VSI may rely to the effect that a transaction will not (a) affect the Tax-Free Status of the Separation or Distribution, (b) violate any representation or requirement, or otherwise adversely affect any conclusion, set forth in the Tax Opinion, the IRS Private Letter Ruling or the ITA Private Letter Ruling, provided that any such Tax opinion obtained in connection with a proposed acquisition of SpinCo Capital Stock shall not qualify as an Unqualified Tax Opinion unless such Tax opinion also 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. Any such opinion must assume that the Separation and Distribution would have qualified for Tax-Free Status if the transaction in question did not occur.

**“VSI”** has the meaning set forth in the first sentence of this Agreement.

**“VSI Active Trade or Business”** means the active conduct (within the meaning of Section 355(b)(2) of the Code and the Treasury Regulations thereunder) by VSI and its “separate affiliated group” (within the meaning of Section 355(b)(3)(B) of the Code) of the Remaining Business as conducted immediately prior to the Distribution and Separation.

**“VSI Adjustment”** means any proposed adjustment by a Tax Authority or claim for refund or credit asserted in a Tax Contest to the extent that, under this Agreement, VSI would be exclusively liable for any resulting Tax or exclusively entitled to receive any resulting Tax Benefit.

**“VSI Consolidated Group”** has the meaning set forth in the Recitals.

**“VSI Capital Stock”** means all classes or series of stock of VSI, including (i) the VSI Common Stock, (ii) all options, warrants and other rights to acquire such stock and (iii) all instruments properly treated as stock in VSI for U.S. federal income tax purposes.

**“VSI Common Stock”** means the single class of common stock of VSI authorized and outstanding on the Distribution Date.

**“VSI Director”** means any member of the Board of Directors of VSI.

**“VSI Federal Consolidated Income Tax Return”** means any consolidated Tax Return for Federal Income Taxes for the VSI Consolidated Group.

**“VSI Foreign Combined Income Tax Return”** means a consolidated, combined, unitary or other similar Tax Return for Foreign Income Taxes or any Tax Return for Foreign Income Taxes with respect to any profit and/or loss sharing group, group payment or similar group or fiscal unity, in each case, that includes, by election or otherwise, at least one member of the VSI Group.

**“VSI Group”** means VSI and each Person that is a Subsidiary of VSI (other than SpinCo and any other member of the SpinCo Group).

**“VSI Group Return”** means any VSI Federal Consolidated Income Tax Return, VSI Foreign Combined Income Tax Return, or VSI State Combined Income Tax Return.

**“VSI Listed Action”** has the meaning set forth in Section 6.5(a).

**“VSI Separate Return”** means any Return of VSI or any member of the VSI Group that is not a VSI Group Return.

**“VSI State Combined Income Tax Return”** means a consolidated, combined, unitary or other similar Tax Return for State Income Taxes that includes, by election or otherwise, at least one member of the VSI Group.

(a) (b) *Interpretation.* For purposes of this Agreement: (i) VSI and SpinCo are sometimes collectively referred to herein as the **“Companies”** or the **“Parties”** and, as the context requires, individually referred to herein as the **“Company”** or a **“Party”**; (ii) words **“include”**, **“includes”** and **“including”** shall be deemed to be followed by the phrase **“without limitation”**; (iii) any reference herein to any Person shall be construed to include

such Person's successors and permitted assigns; (iv) the words "herein", "hereof" and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof; (v) except as otherwise provided (e. g. , with respect to references to the Code), all references herein to a "Section" or "Sections" shall be construed to refer to Sections of this Agreement; (vi) the headings and captions for this Agreement are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement; and (vii) if any period referred to herein expires on a day which is not a Business Day, or any event or condition is required by the terms of this Agreement to occur or be fulfilled (including the making of any payment required hereunder) on a day which is not a Business Day, such period shall expire on or such event or condition shall not be required to occur or be fulfilled until, as the case may be, the next succeeding Business Day.

## ARTICLE II.

### ALLOCATION OF AND INDEMNIFICATION FOR TAX LIABILITIES.

2.1 General Rule. The allocation of liability for Taxes under this Section 2 shall be applicable to (i) any adjustment to an item of income, gain, deduction, loss, or credit that has been reported on a Tax Return as of the Separation Completion Time which is attributable to a Pre-Separation Completion Period, (ii) any Taxes (without regard to any offsetting Tax Attributes) attributable to a Pre-Separation Completion Period which have not been reported on a Tax Return as of the Separation Completion Time, and (iii) all Taxes (without regard to any offsetting Tax Attributes) attributable to a Post-Separation Completion Period.

(a) *VSI Liability.* VSI (and its Affiliates) shall be liable for, and shall indemnify and hold harmless the SpinCo Group from and against any and all liability for Taxes that are allocated to VSI under this Section 2 (including any increase in such Taxes as a result of a Final Determination, whether or not reported on a Tax Return).

(b) *SpinCo Liability.* SpinCo (and its Affiliates) shall be liable for, and shall indemnify and hold harmless VSI (or any Affiliate of VSI, as applicable) from and against any and all liability for Taxes that are allocated to SpinCo under this Section 2 (including any increase in such Taxes as a result of a Final Determination).

(c) *Apportionment.* For purposes of this Agreement, any Taxes attributable to a Straddle Period shall be apportioned between the portion of such period up to and including the Separation Completion Date and the portion of such period that begins after the Separation Completion Date based, (i) in the case of any Taxes other than Taxes based upon or related to income or receipts, on a *per diem* basis and, (ii) in the case of any Tax based upon or related to income or receipts be deemed equal to the amount which would be payable if the relevant taxable period ended as of the close of business on the Separation Completion Date. For purposes of this Section 2.1(c), any exemption, deduction, credit or other item that is calculated on an annual basis shall be allocated to the portion of the Straddle Period in the same manner as that set forth in clause (i) of this Section 2.1(c).

2.2 Allocation of United States Federal Income Taxes and Federal Other Taxes. Except as provided in Section 2.6, Federal Income Taxes and Federal Other Taxes shall be allocated as follows:

(a) *Allocation of Income Taxes Relating to Federal Consolidated Income Tax Returns.* VSI (and its Affiliates) shall be responsible for any and all Federal Income Taxes due with respect to or required to be reported on any VSI Federal Consolidated Income Tax Return, except to the extent such Taxes are related to, or arise in connection with, the SpinCo Business. SpinCo (and its Affiliates) shall be responsible for any and all Federal Income Taxes due with respect to or required to be reported on any VSI Federal Consolidated Income Tax Return to the extent such Taxes are related to, or arise in connection with, the SpinCo Business.

(b) *Allocation of Income Taxes Relating to Federal Separate Income Tax Returns.* VSI (and its Affiliates) shall be responsible for any and all Federal Income Taxes due with respect to or required to be reported on any (i) VSI Separate Return, except to the extent such Taxes are related to, or arise in connection with, the SpinCo Business, and (ii) SpinCo Separate Return to the extent such Taxes are related to, or arise in connection with, the Remaining Business. SpinCo (and its Affiliates) shall be responsible for any and all Federal Income Taxes due with respect to or required to be reported on any (i) VSI Separate Return to the extent such Taxes are related to, or arise in connection with, the SpinCo Business and (ii) SpinCo Separate Return, except to the extent such Taxes are related to, or arise in connection with, the Remaining Business.

(c) *Allocation of Federal Other Taxes.* With respect to any Federal Other Taxes, VSI (and its Affiliates) shall be responsible for any and all such Taxes, except to the extent such Taxes are related to, or arise in connection with, the SpinCo Business, and SpinCo (and its Affiliates) shall be responsible for any and all such Taxes to the extent such Taxes are related to, or arise in connection with, the SpinCo Business.

2.3 Allocation of State Income and State Other Taxes. Except as provided in Section 2.6, State Income Tax and State Other Tax shall be allocated as follows:

(a) *Allocation of State Income Taxes Relating to State Combined Income Tax Returns.* VSI (and its Affiliates) shall be responsible for any and all State Income Taxes due with respect to or required to be reported on any (i) VSI State Combined Income Tax Return, except to the extent such Taxes are related to, or arise in connection with, the SpinCo Business and (ii) SpinCo State Combined Income Tax Return to the extent such Taxes are related to, or arise in connection with, the Remaining Business. SpinCo (and its Affiliates) shall be responsible for any and all State Income Taxes due with respect to or required to be reported on any (i) SpinCo State Combined Income Tax Return, except to the extent such Taxes are related to, or arise in connection with, the Remaining Business and (ii) VSI State Combined Income Tax Return to the extent such Taxes are related to, or arise in connection with, the SpinCo Business.

(b) *Allocation of State Income Taxes Relating to Separate Returns.* VSI (and its Affiliates) shall be responsible for any and all State Income Taxes due with respect to

or required to be reported on any (i) VSI Separate Return, except to the extent such Taxes are related to, or arise in connection with, the SpinCo Business and (ii) SpinCo Separate Return to the extent such Taxes are related to, or arise in connection with, the Remaining Business. SpinCo (and its Affiliates) shall be responsible for any and all State Income Taxes due with respect to or required to be reported on any (i) VSI Separate Return to the extent such Taxes are related to, or arise in connection with, the SpinCo Business and (ii) SpinCo Separate Return, except to the extent such Taxes are related to, or arise in connection with, the Remaining Business.

(c) *Allocation of State Other Taxes.* With respect to any State Other Taxes, VSI (and its Affiliates) shall be responsible for any and all such Taxes, except to the extent such Taxes are related to, or arise in connection with, the SpinCo Business, and SpinCo (and its Affiliates) shall be responsible for any and all such Taxes to the extent such Taxes are related to, or arise in connection with, the SpinCo Business.

2.4 Allocation of Foreign Taxes. Except as provided in Section 2.6, Foreign Income Tax and Foreign Other Tax shall be allocated as follows:

(a) *Allocation of Foreign Income Taxes Relating to Foreign Combined Income Tax Returns.* VSI (and its Affiliates) shall be responsible for any and all Foreign Income Taxes due with respect to or required to be reported on any (i) VSI Foreign Combined Income Tax Return, except to the extent such Taxes are related to, or arise in connection with, the SpinCo Business and (ii) SpinCo Foreign Combined Income Tax Return to the extent such Taxes are related to, or arise in connection with, the Remaining Business. SpinCo (and its Affiliates) shall be responsible for any and all Foreign Income Taxes due with respect to or required to be reported on any (i) VSI Foreign Combined Income Tax Return to the extent such Taxes are related to, or arise in connection with, the SpinCo Business and (ii) SpinCo Foreign Combined Income Tax Return, except to the extent such Taxes are related to, or arise in connection with, the Remaining Business.

(b) *Allocation of Foreign Income Taxes Relating to Separate Returns.* VSI (and its Affiliates) shall be responsible for any and all Foreign Income Taxes due with respect to or required to be reported on any (i) VSI Separate Return, except to the extent such Taxes are related to, or arise in connection with, the SpinCo Business and (ii) SpinCo Separate Return to the extent such Taxes are related to, or arise in connection with, the Remaining Business. SpinCo (and its Affiliates) shall be responsible for any and all Foreign Income Taxes due with respect to or required to be reported on any (i) VSI Separate Return to the extent such Taxes are related to, or arise in connection with, the SpinCo Business and (ii) SpinCo Separate Return, except to the extent such Taxes are related to, or arise in connection with, the Remaining Business.

(c) *Allocation of Foreign Other Taxes.* With respect to any Foreign Other Taxes, VSI (and its Affiliates) shall be responsible for any and all such Taxes, except to the extent such Taxes are related to, or arise in connection with, the SpinCo Business, and SpinCo (and its Affiliates) shall be responsible for any and all such Taxes to the extent such Taxes are related to, or arise in connection with, the SpinCo Business.

2.5 Allocation of Certain Specified Taxes. SpinCo (or its relevant Affiliate) shall be responsible for all Taxes specified in Schedule 2.5.

2.6 Interpretation.

(a) *Allocation of Taxes.* For purposes of allocating any Taxes under this Section 2, except as provided in Section 2.6(b), “related to, or arise in connection with, the SpinCo Business” or “related to, or arise in connection with, the Remaining Business” means (i) all Taxes properly allocable to an entity engaged solely in the SpinCo Business or the Remaining Business, as applicable, during the taxable period at issue, (ii) in the case of an entity engaged in both the SpinCo Business and Remaining Business during the taxable period at issue, all Taxes properly allocable to the SpinCo Business (or the Remaining Business, as applicable) to the extent distinguishable with reasonable accuracy, or (iii) to the extent not so distinguishable, the portion of Taxes properly allocable to the entity equal to the ratio of revenue of such entity attributable to the SpinCo Business (or the Remaining Business, as applicable) over the total revenue of such entity during the taxable period at issue, provided that, in the case of VSI, such ratio shall be the ratio of revenue of the VSI Consolidated Group attributable to the SpinCo Business (or the Remaining Business, as applicable) over the total revenue of the VSI Consolidated Group during the taxable period at issue.

(b) *Subpart F Income and GILTI.* For purposes of allocating under this Section 2 any Income Taxes resulting from any inclusion in income (an “**Inclusion**”) of Subpart F or global intangible low-taxed income of a controlled foreign corporation (a “**CFC**”) under section 951 or 951A of the Code, or any similar state, local or Foreign law (“**Subpart F Income**”), “related to, or arise in connection with, the SpinCo Business” or “related to, or arise in connection with, the Remaining Business” means (i) all Income Taxes attributable to an Inclusion during the taxable period at issue of Subpart F Income of a CFC engaged solely in the SpinCo Business or the Remaining Business, as applicable, (ii) in the case of an Inclusion during the taxable period at issue of Subpart F Income of a CFC engaged in both the SpinCo Business and Remaining Business during the taxable period at issue, all Subpart F Income properly allocable to the SpinCo Business (or the Remaining Business, as applicable) of the CFC to the extent distinguishable with reasonable accuracy, or (iii) to the extent not so distinguishable, the portion of the Inclusion equal to the ratio of revenue of such CFC attributable to the SpinCo Business (or the Remaining Business, as applicable) over the total revenue of such CFC.

2.7 Certain Transaction Taxes.

(a) *SpinCo Liability.* SpinCo (and its Affiliates) shall be liable for, and shall indemnify and hold harmless VSI (and its Affiliates) from and against any and all liability for:

(i) Any Tax resulting from a breach by SpinCo of any covenant or representation in this Agreement or the Separation and Distribution Agreement; and

(ii) Any Tax-Related Losses or Tax-Related Loss Contribution for which SpinCo is responsible pursuant to Section 6.5.

(b) *VSI Liability*. VSI (and its Affiliates) shall be liable for, and shall indemnify and hold harmless the SpinCo Group from and against any and all liability for:

(i) Any Tax resulting from a breach by VSI of any covenant or representation in this Agreement or the Separation and Distribution Agreement; and

(ii) Any Tax-Related Losses or Tax-Related Loss Contribution for which VSI is responsible pursuant to Section 6.5.

(c) *Certain Transfer Taxes*. Except as otherwise agreed upon by the Parties or their Affiliates, the Parties agree that any and all Transfer Taxes imposed in connection with the transfer of the SpinCo Assets from VSI to SpinCo pursuant to the Separation shall be borne equally by VSI and SpinCo. VSI shall determine the manner in which any Transfer Taxes and any corresponding transactions are reported for Tax purposes, including any position that no Transfer Taxes are due and payable and, unless otherwise required pursuant to a Final Determination, no member of the SpinCo Group shall take any action that is inconsistent with the manner in which such Transfer Taxes are reported. The Parties shall reasonably cooperate to minimize Transfer Taxes. VSI shall file (or cause to be filed) all necessary documentation with respect to such Transfer Taxes on a timely basis; *provided* that the SpinCo Group shall cooperate with the preparation of any such documentation and, to the extent required by applicable Tax Law, will timely file such documentation.

### ARTICLE III.

#### PREPARATION AND FILING OF TAX RETURNS.

3.1 Responsibility for Filing. Subject to the other provisions of this Section 3, Tax Returns shall be filed when due (including extensions) by the Person that is obligated to file such Tax Returns under the Code or other applicable Tax Law (the "**Filing Party**").

3.2 Preparation of Tax Returns.

(a) *General Rule for Income Tax Returns*. Any Income Tax Return for (i) any Pre-Separation Completion Period or Straddle Period shall be prepared, or caused to be prepared, by VSI or a member of the VSI Group, except that SpinCo or a member of the SpinCo Group shall prepare, or cause to be prepared, all such Income Tax Returns required under the Law of Israel, and (ii) any Tax Period beginning after the Separation Completion Date shall be prepared, or caused to be prepared, by the Filing Party or a member of the Filing Party's Group.

(b) *General Rule for Non-Income Tax Returns*. With respect to any Tax Return other than an Income Tax Return for any Tax Period, such Tax Returns shall be prepared, or caused to be prepared, by the Filing Party or a member of the Filing Party's Group; provided, however, that, Section 6.01(c) of the Employee Matters Agreement shall govern the reporting obligations of VSI and its Affiliates and SpinCo and its Affiliates expressly addressed therein.



(c) *Past Practices.* Except as provided in Section 3.2(d), all Tax Returns prepared pursuant to Section 3.2(a)(i) or Section 3.2(b) (but, in the case of 3.2(b), only to the extent that such Returns reflect Taxes for which both VSI or any Affiliate of VSI, on the one hand, and SpinCo or any Affiliate of SpinCo, on the other hand, are responsible under Section 2) must be prepared in accordance with past practices, accounting methods, elections or conventions (“**Past Practices**”) used with respect to the Tax Returns in question (unless there is no reasonable basis for the use of such Past Practices or unless there is no adverse effect (current or future) to VSI), and to the extent any items are not covered by Past Practices (or in the event that there is no reasonable basis for the use of such Past Practices or there is no adverse effect (current or future) to VSI), in accordance with reasonable Tax accounting practices selected by VSI.

(d) *Reporting of Transactions.* The Tax treatment reported on any Tax Return of VSI, SpinCo or any of their respective Affiliates that relates to the Separation and Distribution shall be consistent with the treatment thereof in the IRS Private Letter Ruling, the Tax Opinion and the ITA Private Letter Ruling, except as otherwise required by applicable Law. To the extent there is a Tax treatment relating to the Separation and Distribution that is not covered by the IRS Private Letter Ruling, the Tax Opinion or the ITA Private Letter Ruling, then the Tax treatment shall be determined by the Responsible Party with respect to such Tax Return and the other Companies shall be deemed to agree to such Tax treatment unless (i) there is no reasonable basis for such Tax treatment, (ii) such Tax treatment is inconsistent with the Tax treatment contemplated in the IRS Private Letter Ruling, the Tax Opinion or the ITA Private Letter Ruling, except as otherwise required by applicable Law, or (iii) more favorable Tax treatment is available, as confirmed by a “should” level opinion of a Tax Advisor (which opinion and Tax Advisor shall be reasonably acceptable to the Responsible Party). Any dispute regarding such proper Tax treatment shall be referred for resolution pursuant to Section 13, sufficiently in advance of the filing date of such Tax Return (including extensions) to permit timely filing of the Tax Return; *provided* that, if the Tax Advisor is not able to render a final decision prior to the due date for filing the applicable Tax Return, such Tax Return shall be initially filed as prepared by the Responsible Party, but reflecting all non-disputed comments provided by the non-Responsible Party, and, as promptly as practicable after the Tax Advisor finally resolves the dispute, such Tax Return shall be amended as necessary to reflect the determination of the Tax Advisor.

### 3.3 Post-Distribution Actions

(a) *SpinCo Carrybacks and Claims for Refund.* SpinCo hereby agrees that, unless VSI consents in writing, (i) neither SpinCo, nor any Affiliate of SpinCo, shall make or file any Adjustment Request with respect to any VSI Group Returns, and (ii) SpinCo and its Affiliates shall make or file any available elections to waive the right to claim any SpinCo Carryback arising in a Post-Separation Completion Period to any Pre-Separation Completion Period with respect to any VSI Group Returns, and neither SpinCo, nor any

Affiliate of SpinCo, shall make or file any affirmative election to claim any such SpinCo Carryback; *provided, however*, that SpinCo and VSI agree that any such Adjustment Request shall be made with respect to any SpinCo Carryback, upon the reasonable request of SpinCo, if such SpinCo Carryback is necessary to prevent the loss of the Tax Benefit of such SpinCo Carryback and such Adjustment Request, based on VSI's sole determination, will cause no Tax detriment to the VSI Group or any member of the VSI Group (unless SpinCo agrees to reimburse VSI for the Tax detriment (including as a result of any disallowance in whole or in part of the SpinCo Carryback) at no net cost to VSI). Any Adjustment Request which VSI consents to make under this [Section 3.3\(a\)](#) shall be prepared and filed by VSI or the applicable member of the VSI Group, and SpinCo shall be responsible for any out-of-pocket expenses with respect to such request and filing.

(b) *Other Actions.* Without the prior written consent of VSI, SpinCo shall not, and shall not permit any of its Affiliates, to (a) voluntarily approach any Taxing Authority regarding any Taxes related to, or arise in connection with, the Remaining Business for any Pre-Separation Completion Period, (b) propose or agree to any adjustment of any item of SpinCo or any member of the SpinCo Group with a Taxing Authority with respect to Taxes related to, or arise in connection with, the Remaining Business for any Pre-Separation Completion Period or Straddle Period if such adjustment could reasonably be expected to result in VSI being liable for any Taxes under this Agreement, (c) amend, file or re-file any Tax Return of any member of the SpinCo Group for any Pre-Separation Completion Period or Straddle Period if such action by SpinCo, or any member of the SpinCo Group, could reasonably be expected to result in VSI being liable for any Taxes under this Agreement, (d) make, change or revoke any Tax election of any member of the SpinCo Group that would have retroactive effect on Taxes related to, or arise in connection with, the Remaining Business to any Pre-Separation Completion Period, or (e) take any action after the Distribution that is outside the ordinary course of business (other than as expressly contemplated by this Agreement) relating to Taxes related to, or arise in connection with, the Remaining Business, or that could reasonably be expected to result in VSI being liable for any Taxes under this Agreement.

3.4 Basis of Transferred Assets and Apportionment of Other Tax Attributes. As soon as reasonably practicable following the completion of the Separation, VSI shall notify SpinCo in writing of the adjusted Tax basis of the assets transferred to SpinCo in the Separation and the portion, if any, of any earnings and profits, overall foreign loss or other Tax Attribute from Pre-Separation Completion Periods, including consolidated, combined or unitary Tax Attributes, which VSI determines shall be allocated or apportioned to SpinCo under applicable Tax Law. VSI shall provide reasonable timely updates to SpinCo of the adjusted Tax basis of assets and the allocation of Tax Attributes as VSI finalizes Tax Returns for the VSI Group and as adjustments, if any, are subsequently made to such Tax Returns. SpinCo and all members of the SpinCo Group shall prepare all Tax Returns in accordance with such written notice. As soon as practicable after receipt of a written request from SpinCo, VSI shall provide copies of any studies, reports, and workpapers supporting the adjusted Tax basis of the transferred assets and other Tax Attributes allocable to SpinCo. Any dispute regarding the adjusted Tax basis and apportionment of any other Tax Attribute shall be resolved pursuant to the provisions of [Section 13](#). All Tax Returns prepared by the VSI Group and the SpinCo Group shall be consistent with the adjusted Tax basis and any allocation or apportionment as determined pursuant to this [Section 3.4](#).

3.5 Review and Comment Rights. With respect to any Tax Return reflecting any Taxes for which a Non-Responsible Party is liable under Section 2, the Responsible Party shall provide the Non-Responsible Party with a draft of each such Tax Return for the Non-Responsible Party's review and comment, in the case of an Income Tax Return, at least 30 days or, in the case of a Tax Return for Other Taxes, at least 15 days (or, in the case of Tax Returns for Other Taxes, such shorter period as circumstances may reasonably require) prior to the due date for filing the applicable Tax Return (including extensions). The Non-Responsible Party shall have, in the case of an Income Tax Return, ten days or, in the case of a Tax Return for Other Taxes, five days (or, in the case of Tax Returns for Other Taxes, such shorter period as circumstances may reasonably require) from receipt of such draft Tax Return to submit in writing any objection to such Tax Return, setting forth in reasonable detail the basis for any such objection, *provided* that any such objections shall be limited only to items for which the Non-Responsible Party is responsible under Section 4 or that reasonably could be expected to result in an indemnity obligation or right to a refund under this Agreement for the Non-Responsible Party (a "**Tax Return Objection Notice**"). If the Non-Responsible Party does not timely submit a Tax Return Objection Notice in accordance with the immediately preceding sentence, then the Non-Responsible Party shall be deemed to have agreed to the applicable Tax Return as prepared by the Responsible Party. If the Non-Responsible Party timely submits a Tax Return Objection Notice, then the Parties shall work together in good faith to resolve the objections raised in such notice; *provided* that, if the Parties are not able to resolve all objections raised in a Tax Return Objection Notice prior to the due date for filing the applicable Tax Return (including extensions), such Tax Return shall be filed as prepared by the Responsible Party, but reflecting all non-disputed comments provided by the Non-Responsible Party, and, at the Non-Responsible Party's election, the remaining disputed items shall be referred for resolution pursuant to Section 13, in which case, after the Tax Advisor finally resolves the dispute, such Tax Return shall be amended as necessary to reflect the determination of the Tax Advisor.

#### ARTICLE IV.

##### TAX PAYMENTS.

4.1 Payment of Taxes with Respect to Any Group Return. VSI shall pay to the IRS or other applicable Tax Authority any Tax due with respect to any VSI Group Return and SpinCo shall pay to the IRS or other applicable Tax Authority any Tax due with respect to any SpinCo Group Return; *provided* that any such Taxes described in Section 4.3 shall be governed by Section 4.3; *provided, further*, that Section 6.5 shall apply with respect to payments of Tax-Related Losses and Tax-Related Loss Contributions.

4.2 Payment of Separate Company Taxes and Other Taxes. Each Company shall pay, or shall cause to be paid, to the applicable Tax Authority when due all Taxes owed by such Company or a member of such Company's Group with respect to any

Separate Return for Income Taxes and any Return for Other Taxes, *provided* that any such Taxes described in Section 4.3 shall be governed by Section 4.3; *provided, further*, that Section 6.5 shall apply with respect to payments of Tax-Related Losses and Tax-Related Loss Contributions.

4.3 Payment of Taxes With Respect to Joint Taxes. In the case of any Tax Return reflecting Taxes for which both VSI or any Affiliate of VSI, on the one hand, and SpinCo or any Affiliate of SpinCo, on the other, are responsible under Section 2:

(a) *Computation and Payment of Tax Due*. At least ten Business Days prior to any Payment Date for any Tax Return, the Responsible Party shall compute the amount of Taxes required to be paid to the applicable Tax Authority with respect to such Tax Return on such Payment Date and provide the written notice to the Non-Responsible Party reflecting the portion of Taxes allocated to the Non-Responsible Party under Section 2 of this Agreement. If the Non-Responsible Party is not a Filing Party, then such Non-Responsible Party shall pay the amount of Taxes reflected in the notice from the Responsible Party to the Filing Party at least five Business Days prior to any Payment Date for any such Tax Return. If the Non-Responsible Party is a Filing Party, then at least five Business Days prior to any Payment Date for any Tax Return, the Responsible Party shall pay to such Non-Responsible Party the amount of Taxes for which such Responsible Party is responsible under Section 2 of this Agreement. The Filing Party shall remit all Taxes due with respect to any Tax Return on or prior to any Payment Day.

(b) *Adjustments Resulting in Underpayments*. In the case of any adjustment pursuant to a Final Determination with respect to any Tax Return, the Filing Party shall pay to the applicable Tax Authority when due any additional Tax due with respect to such Return required to be paid as a result of such adjustment pursuant to a Final Determination. If the Filing Party is a Responsible Party with respect to such Tax Return, then such Filing Party shall compute the amount attributable to the Non-Responsible Party in accordance with Section 2 and the Non-Responsible Party shall pay to the Responsible Party any amount due to the Responsible Party within 30 days from the date of receipt of a written notice and demand from the Filing Party for payment of the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. If the Filing Party is not a Responsible Party with respect to such Tax Return, then such Filing Party shall provide a notice of adjustment to the Responsible Party within reasonable time of receipt of such notice from the applicable Tax Authority as to enable the Responsible Party to compute the amount attributable to each Group in accordance with Section 2 and the Responsible Party shall pay to the Non-responsible Party any amount due the Non-Responsible Party (who is the Filing Party) within 30 days from the date of receipt of a written notice and demand from the Filing Party for payment of the amount due, accompanied by evidence of payment and a statement detailing the Taxes paid and describing in reasonable detail the particulars relating thereto. Any payments required under this Section 4.3(b) shall include interest computed at the Prime Rate based on the number of days from the date the additional Tax was paid by the Filing Party to the date of the payment under this Section 4.3(b).

4.4 Indemnification Payments. All indemnification payments under this Agreement shall be made by VSI or SpinCo, as applicable, directly to VSI, or SpinCo, as applicable, and all such payments shall, to the extent applicable, be treated by VSI, SpinCo and their respective Affiliates in the manner set forth in Section 12; *provided, however*, that if the Companies mutually agree with respect to any such indemnification payment, any member of the VSI Group, on the one hand, may make such indemnification payment to any member of the SpinCo Group, on the other hand, and vice versa; *provided* such indemnification payment will be made on behalf of VSI or SpinCo, as may be applicable, and Section 12.1 will continue to apply to such indemnification payment.

4.5 Recomputations. Notwithstanding anything to the contrary set forth in this Agreement, if one Party makes a payment on account of Taxes to another Party under this Agreement, including with respect to a Tax indemnified against, and the amount of such payment, because of an amended Return, Tax Authority adjustment, Final Determination, carryover of a Tax Item or otherwise, would be increased or decreased if computed at a later date, at the written request of either Party, the Parties shall recompute such payment at such later date and an appropriate adjusting payment shall be made between the Parties promptly following such recomputation.

4.6 Sections 6.01(c), 7.03, and 7.07 of the Employee Matters Agreement shall govern the payment of Taxes, reimbursements and procedure for the indemnification payments expressly addressed therein.

## ARTICLE V.

### TAX BENEFITS.

5.1 General. Except as set forth below, VSI shall be entitled to any refund or portion thereof (and any interest thereon received from the applicable Tax Authority) of Income Taxes and Other Taxes for which VSI is liable hereunder, SpinCo shall be entitled to any refund or portion thereof (and any interest thereon received from the applicable Tax Authority) of Income Taxes and Other Taxes for which SpinCo is liable hereunder, and a Company receiving a refund (including any credit or offset in lieu of such refund) to which another Company is entitled (in whole or in part) hereunder shall pay over such refund or portion thereof (net of charges imposed on the Company receiving the refund) to such other Company within 30 days after such refund is received (together with interest computed at the Prime Rate based on the number of days from the date the refund was received to the date the refund was paid over).

5.2 Reimbursements. If a member of a Group actually realizes in cash any Tax Benefit as a result of an adjustment pursuant to a Final Determination to any Taxes for which a member of the other Group is liable hereunder (or to any Tax Attribute of a member of the other Group) and such Tax Benefit would not have arisen but for such adjustment (determined on a “with and without” basis (treating any such Tax Benefit as the last item claimed for the taxable year, including after the utilization of any available net operating loss carryforwards)), the Party whose Group realized such Tax Benefit shall make a payment to the other Party within 30 days following such actual realization of the

Tax Benefit, in an amount equal to such Tax Benefit actually realized in cash (including any Tax Benefit actually realized as a result of the payment) plus interest on such amount computed at the Prime Rate based on the number of days from the date of such actual realization of the Tax Benefit to the date of payment of such amount under this Section 5.2. For the avoidance of doubt, a Tax Benefit is actually realized when the amount of Tax payable is reduced below the amount that would otherwise be payable without the Tax Benefit.

5.3 Cooperation. If as a result of (x) an assessment by a Tax Authority, (y) an amended Return or (z) otherwise, there is an increase in Taxes for which one Group is liable hereunder because of additional income, reduction in a Tax Attribute or otherwise, then the other Group shall at the request of the first Group file an amended Return or otherwise pursue any Tax Benefits claim available to the other Group as a result of the Tax adjustment to the first Group, *provided* that the first Group has furnished the other Group with (i) an opinion of a Tax Advisor reasonably satisfactory to the other Group to the effect that it is at least more likely than not that the other Group will prevail in obtaining Tax Benefits or otherwise reducing the Taxes of the other Group because of the Tax adjustment to the first Group, and (ii) an acknowledgement that the first Group will reimburse the other Group for all reasonable out-of-pocket expenses incurred by the other Group in connection with making such Tax Benefit claim.

## ARTICLE VI.

### TAX-FREE STATUS.

#### 6.1 Tax Opinion and Tax Materials.

(a) *General*. Each of SpinCo and VSI hereby represents and agrees for itself and on behalf of its Affiliates that (i) it has reviewed the Tax Materials and, subject to any qualifications therein, all information contained in such Tax Materials that concerns or relates to such Company or any member of its respective Group or other Affiliate will be true, correct and complete, from the time presented or made through the Separation Completion Date and thereafter as relevant, (ii) it is unaware of any fact or circumstance that is inconsistent with the Tax Materials or the conclusions of the Tax Opinion, and (iii) no member of its respective Group or other Affiliate has any plan or intention to take any action or fail to take any action if such action or failure to act would be inconsistent with the Tax Materials or would be a Restricted Action.

#### 6.2 Restrictions on SpinCo. The following actions listed in Sections 6.2(a), (b), and (c) shall constitute Restricted Actions in respect of SpinCo.

(a) *General*. SpinCo taking, failing to take, or permitting any SpinCo Affiliate to take or fail to take, any action where such action or failure to act would be inconsistent with or cause to be untrue any information, statement, representation, undertaking or covenant in the Tax Materials or in the Tax Opinion.

(b) *ATB*. SpinCo failing to continue to be engaged in the SpinCo Active Trade or Business for purposes of Section 355(b)(2) of the Code, taking into account Section 355(b)(3) of the Code at any time from the date hereof until the first day after the three-year anniversary of the Separation Completion Date (such period, the “Restriction Period”).

(c) *Additional Restricted Actions*. Any of the following actions by SpinCo during the Restriction Period (except, in the case of clauses (vii) through (ix), during the two-year period commencing on the Separation Completion Date): (i) entry into any Proposed Acquisition Transaction or, to the extent SpinCo has the right to prohibit (or cause to be prohibited) any Proposed Acquisition Transaction involving SpinCo, permitting any Proposed Acquisition Transaction to occur or otherwise providing its approval or board of directors’ recommendation to a Proposed Acquisition Transaction involving SpinCo, (ii) merging or consolidating with any other Person or liquidating or partially liquidating, (iii) in a single transaction or series of transactions selling or transferring, or causing its Affiliates to sell or transfer, (other than sales or transfers of inventory in the ordinary course of business) all or substantially all of the assets that were transferred to SpinCo, directly or indirectly, pursuant to the Separation or selling or transfer 30% or more of the gross assets of the SpinCo Active Trade or Business or 30% or more of the consolidated gross assets of the SpinCo Group (such percentages to be measured based on fair market value as of the Distribution Date), (iv) redeeming or otherwise repurchasing (directly or through a SpinCo Affiliate) any SpinCo Capital Stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48), (v) amending its certificate of incorporation (or other organizational documents), or taking any other action, whether through a stockholder vote or otherwise, affecting the voting rights of SpinCo Capital Stock (including through the conversion of one class of SpinCo Capital Stock into another class of SpinCo Capital Stock), (vi) taking any other action or actions which in the aggregate (and taking into account any other transactions described in this subparagraph (c)) otherwise results in one or more Persons (whether or not acting in concert) acquiring directly or indirectly stock representing a Fifty-Percent or Greater Interest in SpinCo, (vii) the transfer by SpinCo of its rights in Cognyte Software LP and Cognyte Systems Ltd., (viii) the transfer by Cognyte Software LP of its rights in Cognyte Technology Israel Ltd., or (ix) the issuance of additional rights or shares in either Cognyte Software LP or Cognyte Systems Ltd.

(d) *Certain Issuances of SpinCo Capital Stock*. If SpinCo proposes to enter into any transaction or series of transactions that is not a Proposed Acquisition Transaction, but would be a Proposed Acquisition Transaction if the percentage reflected in the definition of Proposed Acquisition Transaction were twenty-five percent (25%) or greater instead of Fifty Percent or Greater Interest (an “Acquisition Transaction”) or, to the extent SpinCo has the right to prohibit (or cause to be prohibited) any Acquisition Transaction, proposes to permit any Acquisition Transaction to occur, in each case, during the period from the date hereof until the first day after the Restriction Period, SpinCo shall provide VSI, no later than ten (10) days prior to the signing of any written agreement with respect to such Acquisition Transaction, with a written description of such transaction (including the type and amount of SpinCo Capital Stock, as the case may be, to be issued in such

transaction) and a certificate of the Board of Directors of SpinCo to the effect that the Acquisition Transaction is not a Proposed Acquisition Transaction or any other transaction to which the requirements of Section 6.2(c) apply (a “Board Certificate”).

(e) *SpinCo Internal Restructuring.* SpinCo shall provide written notice to VSI describing any internal restructuring proposed to be taken during or with respect to any Tax Period (or portion thereof) during the Restriction Period and shall consult with VSI regarding any such proposed actions reasonably in advance of taking any such proposed actions and shall consider in good faith any comments from VSI relating thereto.

6.3 Restrictions on VSI. The following actions listed in Sections 6.3(a), (b) and (c) shall constitute Restricted Actions in respect of VSI.

(a) *General.* VSI taking, failing to take, or permitting any VSI Affiliate to take or fail to take, any action where such action or failure to act would be inconsistent with or cause to be untrue any information, statement, representation, undertaking or covenant in the Tax Materials or in the Tax Opinion.

(b) *ATB.* VSI failing to continue to be engaged in the VSI Active Trade or Business for purposes of Section 355(b)(2) of the Code, taking into account Section 355(b)(3) of the Code at any time during the Restriction Period.

(c) *Additional Restricted Actions.* Any of the following actions by VSI during the Restriction Period: (i) entering into any Proposed Acquisition Transaction or, to the extent VSI has the right to prohibit any Proposed Acquisition Transaction involving VSI, permitting any Proposed Acquisition Transaction to occur or otherwise provide its approval or board of directors’ recommendation to a Proposed Acquisition Transaction involving VSI, (ii) merging or consolidating with any other Person or liquidating or partially liquidating, (iii) in a single transaction or series of transactions selling or transferring, or causing its Affiliates to sell or transfer, (other than sales or transfers of inventory in the ordinary course of business) 30% or more of the gross assets of the VSI Active Trade or Business or 30% or more of the consolidated gross assets of the VSI Group (such percentages to be measured based on fair market value as of the Distribution Date), (iv) redeeming or otherwise repurchasing (directly or through a VSI Affiliate) any VSI Capital Stock, except to the extent such repurchases satisfy Section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48), (v) amending its certificate of incorporation (or other organizational documents), or take any other action, whether through a stockholder vote or otherwise, affecting the voting rights of VSI Capital Stock (including through the conversion of one class of VSI Capital Stock into another class of VSI Capital Stock) or (vi) taking any other action or actions which in the aggregate (and taking into account any other transactions described in this subparagraph (c)) otherwise results in one or more Persons (whether or not acting in concert) acquiring directly or indirectly stock representing a Fifty-Percent or Greater Interest in VSI.



#### 6.4 Procedures Regarding Opinions and Rulings

(a) If, during the portion of the Restriction Period beginning on or after the first day following the two-year anniversary of the Separation Completion Date, SpinCo notifies VSI that it desires to take one of the actions described in clauses (i) through (vi) of Section 6.2(c) (a “Notified Action”), VSI and SpinCo shall reasonably cooperate to attempt to obtain any private letter ruling and/or an Unqualified Tax Opinion referred to in Section 6.4(b), as necessary (determined by VSI in its sole discretion) to confirm the Tax-Free Status of the Separation and Distribution notwithstanding such Notified Action, unless VSI shall have waived the requirement to obtain such private letter ruling or Unqualified Tax Opinion.

(b) *Rulings or Unqualified Tax Opinions at SpinCo’s Request.* At the reasonable request of SpinCo pursuant to Section 6.4(a), VSI shall cooperate with SpinCo and use commercially reasonable efforts to seek to obtain, as expeditiously as reasonably practicable, any necessary private letter ruling from the IRS (or, if applicable, a supplemental private letter ruling) or an Unqualified Tax Opinion and any necessary private letter ruling from the ITA (or, if applicable, a supplemental private letter ruling) for the purpose of permitting SpinCo to take the Notified Action. Further, in no event shall VSI be required to file any request for a private letter ruling under this Section 6.4(b) unless SpinCo (i) represents that it has reviewed such request, and all information and representations, if any, relating to any member of the SpinCo Group, contained in such request (or in any documents relating thereto) are (subject to any qualifications therein) true, correct and complete, and (ii) agrees to indemnify VSI for any liability arising from such representations and information being untrue, incorrect or incomplete. SpinCo shall reimburse VSI for all reasonable costs and expenses incurred by the VSI Group in preparing and filing any such request and in obtaining a private letter ruling or Unqualified Tax Opinion requested by SpinCo within ten (10) business days after receiving an invoice from VSI therefor.

(c) *Rulings or Unqualified Tax Opinions at VSI’s Request.* VSI shall have the right to seek a private letter ruling from the IRS and/or ITA (or, if applicable, a supplemental private letter ruling) concerning any transaction (including the impact of any transaction thereon) or an Unqualified Tax Opinion (or other opinion of a Tax Advisor with respect to any of the transaction) at any time in its sole and absolute discretion. If VSI determines to seek such a private letter ruling or an Unqualified Tax Opinion (or other opinion), SpinCo shall (and shall cause each Affiliate of SpinCo to) cooperate with VSI and take any and all actions reasonably requested by VSI in connection with obtaining the private letter ruling or Unqualified Tax Opinion (or other opinion) (including, without limitation, by making any representation or covenant or providing any materials or information requested by the IRS, ITA or Tax Advisor; provided that SpinCo shall not be required to make (or cause any Affiliate of SpinCo 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). VSI and SpinCo shall each bear its own costs and expenses in preparing and filing any such request and in obtaining such a private letter ruling or an Unqualified Tax Opinion (or other opinion) requested by VSI.

(d) *Control over Ruling Process.* SpinCo hereby agrees that VSI shall have sole and exclusive control over the process of obtaining any private letter ruling, and that only

VSI shall apply for such a private letter ruling. In connection with obtaining a private letter ruling pursuant to Section 6.4(b), VSI shall (i) keep SpinCo informed in a timely manner of all material actions taken or proposed to be taken by VSI in connection therewith; (ii) (A) reasonably in advance of the submission of any documents relating to the request for such private letter ruling, provide SpinCo with a draft copy thereof, (B) reasonably consider SpinCo's comments on such draft copy, and (C) provide SpinCo with a final copy; and (iii) provide SpinCo with notice reasonably in advance of, and SpinCo shall have the right to attend, any formally scheduled meetings with the IRS or ITA (subject to the approval of the IRS or ITA, as applicable) that relate to such private letter ruling. Neither SpinCo nor any SpinCo Affiliate directly or indirectly controlled by SpinCo shall seek any guidance from the IRS, ITA or any other Tax Authority (whether written, verbal or otherwise) at any time concerning the Separation or Distribution.

#### 6.5 Liability for Tax-Related Losses and Tax-Related Loss Contribution.

(a) *VSI.* VSI (and its Affiliates) shall be responsible for, and shall indemnify and hold harmless SpinCo, Affiliates of SpinCo, and each of their respective officers, directors and employees from and against, one hundred percent (100%) of any: (1) Tax-Related Losses that are attributable to or result from any one or more of the following: (i) the acquisition of all or a portion of VSI Capital Stock and/or its assets (and/or any of its Affiliate's stock or assets) by any Person, (ii) any negotiations, understandings, agreements or arrangements by or on behalf of VSI with respect to transactions or events (including stock issuances or option grants) or a series of transactions or events that cause the Distribution to be treated as part of a plan pursuant to which one or more Persons acquire directly or indirectly stock of VSI representing a Fifty-Percent or Greater Interest therein, (iii) any action or failure to act by VSI after the Distribution (including any amendment to VSI's certificate of incorporation) affecting the voting rights of VSI stock, or (iv) any act or failure to act by VSI or any VSI Affiliate which constitutes a Restricted Action (collectively, a "VSI Listed Action"); *provided, however,* that (i) a VSI Listed Action will not be considered a VSI Listed Action to the extent such action is determined in a private letter ruling or Unqualified Tax Opinion pursuant to Section 6.4(c) not to affect the Tax-Free Status of the Separation or Distribution, or violate any representation or requirement, or otherwise adversely affect any conclusion, set forth in the Tax Opinion, the IRS Private Letter Ruling or the ITA Private Letter Ruling; and (ii) VSI shall not be liable under this Section 6.5(a) for any Tax-Related Losses that are attributable to or result from any VSI Listed Action that is an Unapproved VSI Action; and (2) Tax-Related Loss Contribution allocable to VSI under Section 6.5(c).

(b) *SpinCo.* SpinCo (and its Affiliates) shall be responsible for, and shall indemnify and hold harmless VSI, Affiliates of VSI, and each of their respective officers, directors and employees from and against, one hundred percent (100%) of any: (1) Tax-Related Losses that are attributable to or result from any one or more of the following: (i) the acquisition of all or a portion of SpinCo Capital Stock and/or its assets (and/or any of its Affiliate's stock or assets) by any Person, (ii) any negotiations, understandings, agreements or arrangements by or on behalf of SpinCo with respect to transactions or events (including stock issuances or option grants) or a series of transactions or events that cause the Distribution to be treated as part of a plan pursuant to which one or more

Persons acquire directly or indirectly stock of SpinCo representing a Fifty-Percent or Greater Interest therein, (iii) any action or failure to act by SpinCo after the Distribution (including any amendment to SpinCo's certificate of incorporation) affecting the voting rights of SpinCo stock, (iv) any act or failure to act by SpinCo or any SpinCo Affiliate which constitutes a Restricted Action, or (v) any breach by SpinCo of its agreement and representation set forth in Section 6.1(a) (collectively, a "SpinCo Listed Action"); *provided, however*, that a SpinCo Listed Action will not be considered a SpinCo Listed Action to the extent such action is determined in a private letter ruling or Unqualified Tax Opinion pursuant to Section 6.4(a) not to affect the Tax-Free Status of the Separation or Distribution, or violate any representation or requirement, or otherwise adversely affect any conclusion, set forth in the Tax Opinion, the IRS Private Letter Ruling or the ITA Private Letter Ruling; (2) Tax-Related Loss Contribution allocable to SpinCo under Section 6.5(c); and (3) Taxes attributable to or resulting from failure by SpinCo or any of its Affiliates to comply with Section 3.2(d) or Section 3.3.

(c) *VSI and SpinCo*. If Tax-Related Losses occur and neither VSI nor SpinCo is responsible for any Tax-Related Losses under paragraph (a) or paragraph (b) of this Section 6.5, as applicable, each Party shall bear an equal proportion of such Tax-Related Losses after reducing such Tax-Related Losses by the amount of any Tax Benefit actually realized as a result of the Tax-Related Losses by either or both Parties in the taxable year of such Tax-Related Losses (determined on a with-or-without basis) (each such proportion of the Tax-Related Losses, a "Tax-Related Loss Contribution").

(d) *Payments*. Payments of amounts for Tax-Related Losses allocated under this Section 6.5 shall be paid by SpinCo or VSI, as applicable, to the Party which paid the Tax-Related Loss to a Tax Authority, with such indemnity being payable within two (2) Business Days after such payment, and shall be treated in the manner set forth in Section 12.

6.6 Protective Section 336(e) and 338(g) Elections. If VSI determines, in its sole discretion, that one or more protective elections under Section 336(e) and 338(g) of the Code (each, a "Protective Election") shall be made with respect to the Separation and/or the Distribution, SpinCo shall (and shall cause any relevant member of the SpinCo Group to) join with VSI (and/or any relevant member of the VSI Group, as applicable) in the making of any such election and shall take any action reasonably requested by VSI or that is otherwise necessary to give effect to any such election (including making any other related election). If any Protective Election is made with respect to the Separation or Distribution, then this Agreement shall be amended in a manner as is determined by VSI in good faith to take into account such Protective Election, including by requiring that, in the event that the Separation and/or Distribution fails to have Tax-Free Status and VSI is not entitled to indemnification for all Tax-Related Losses arising from such failure, SpinCo shall pay over to VSI any Tax Benefit resulting from the relevant Protective Election(s) within thirty (30) days of SpinCo (or any member of the SpinCo Group) realizing such Tax Benefit in cash. For purposes of calculating the amount and timing of realization of any Tax Benefit that SpinCo is required to pay over to VSI pursuant to the preceding sentence, Tax Benefits shall be calculated by assuming that SpinCo and each member of the SpinCo Group have no Tax Attributes (other than the relevant step-up in Tax basis resulting from the relevant Protective Election(s)) in any relevant Tax Period.

## ARTICLE VII.

### ASSISTANCE AND COOPERATION.

7.1 Assistance and Cooperation. The Companies shall cooperate (and cause their respective Affiliates to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, in connection with Tax matters relating to the Companies and their Affiliates including (i) preparation and filing of Tax Returns, (ii) determining the liability for, and amount of, any Taxes due (including estimated Taxes) or the right to and amount of any refund of Taxes, (iii) examinations of Tax Returns, and (iv) any administrative or judicial proceeding relating to Taxes assessed or proposed to be assessed.

#### 7.2 Tax Return Information.

(a) *General.* Each Company shall provide to the other Company information and documents relating to its Group required by the other Company to prepare Tax Returns, including information concerning any Tax Attributes that were allocated pursuant to this Agreement. Any information or documents that the Responsible Party requires in order to prepare such Tax Returns shall be provided in such form as the Responsible Party reasonably requests and in sufficient time for the Responsible Party to file such Tax Returns on a timely basis. Notwithstanding anything to the contrary in this Agreement, neither SpinCo nor any Affiliate of SpinCo shall be entitled to review any Tax Return, Tax workpapers, financial statements or books and records of VSI or any of its Affiliates (other than actual or pro-forma Tax Returns of members of the SpinCo Group) for any purpose.

(b) *Rulings and Supplemental Tax Opinions.* If SpinCo or VSI requests the assistance of any other person in obtaining a Ruling or supplemental tax opinion, reasonable assistance (including delivery of customary or reasonable representations through an officer's certificate not to be inconsistent with the Tax Materials) will be rendered as expeditiously as possible. The requesting Party shall bear all reasonable out-of-pocket costs and expenses incurred by the other Party in connection with obtaining such a Ruling or supplemental tax opinion, with payment due within ten Business Days after receiving an invoice therefor.

7.3 Confidentiality. Any information or documents provided under this Section 7 shall be kept confidential by the Company receiving the information or documents, except as may otherwise be necessary in connection with the filing of Tax Returns or in connection with any administrative or judicial proceedings relating to Taxes. No Party shall be required to provide any other Person with any information and documentation requested under this Section 7 if the provision of such information or documentation would result in a waiver of attorney-client privilege or other applicable privilege or protection or would violate any Law.

**ARTICLE VIII.**

**TAX RECORDS.**

(a) VSI shall preserve and keep all Tax Records exclusively relating to the assets and activities of its Group for Pre-Separation Completion Periods, and VSI shall preserve and keep all other Tax Records relating to Taxes of the Groups for Pre-Separation Completion Periods until seven (7) years after the Separation Completion Date. After such date occurs, VSI may dispose of such Tax Records, unless SpinCo provides a written notice 90 days prior to such date that it will, at its cost and expense, copy or remove, within such 90-day period, all or part of such Tax Records.

(b) SpinCo shall preserve and keep all Tax Records exclusively relating to the assets and activities of its Group for Pre-Separation Completion Periods, and SpinCo shall preserve and keep all other Tax Records relating to Taxes of the Groups for Pre-Separation Completion Periods until seven (7) years after the Separation Completion Date. After such date occurs, SpinCo may dispose of such Tax Records, unless VSI provides a written notice 90 days prior to such date that it will, at its cost and expense, copy or remove, within such 90-day period, all or part of such Tax Records.

**ARTICLE IX.**

**TAX CONTESTS.**

9.1 Notice. Within ten days after a Company becomes aware of a Tax Contest that may give rise to Taxes for which another Company is responsible pursuant to this Agreement, such Company shall notify the other Company of such Tax Contest. Such notice shall provide that the notifying Company may seek indemnification from the other Company under this Agreement and shall attach copies of the pertinent portion of any written communication from a Tax Authority and contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any notice and other documents received from any Tax Authority in respect of any such matters. A failure of a Company to comply with this Section 9.1 shall not relieve the indemnifying party of its indemnification obligation under this Agreement, except to the extent such failure materially prejudices the ability of the indemnifying party to contest the liability for the relevant Tax or increases the amount of such liability.

9.2 Control of Tax Contests.

(a) *Separate Company Taxes*. In the case of any Tax Contest with respect to any Separate Return for Income Taxes, the Filing Party shall have exclusive control over the Tax Contest, including exclusive authority with respect to any settlement of such Tax liability, subject to Sections 9.2(e), (f), (g), and (h).

(b) *VSI Group Return*. In the case of any Tax Contest with respect to any VSI Group Return, VSI shall have exclusive control over the Tax Contest, including exclusive authority with respect to any settlement of such Tax liability, subject to Sections 9.2(e), (f), (g), and (h).

(c) *SpinCo Group Return.* In the case of any Tax Contest with respect to any SpinCo Group Return, other than any SpinCo Separate Return, SpinCo shall have exclusive control over the Tax Contest, including exclusive authority with respect to any settlement of such Tax liability, subject to Sections 9.2(e), (f), (g), and (h).

(d) *Other Taxes.* In the case of any Tax Contest with respect to any Other Taxes (i) VSI shall control the defense or prosecution of the portion of the Tax Contest directly and exclusively related to any VSI Adjustment, including settlement of any such VSI Adjustment and (ii) SpinCo shall control the defense or prosecution of the portion of the Tax Contest directly and exclusively related to any SpinCo Adjustment, including settlement of any such SpinCo Adjustment, and (iii) VSI and SpinCo shall jointly control the defense or prosecution of adjustments for which VSI, SpinCo or any of their Affiliates could each be liable and any and all administrative matters not directly and exclusively related to any VSI Adjustment or SpinCo Adjustment.

(e) *Tax-Related Losses and Tax-Related Loss Contributions.* Either VSI or SpinCo shall have exclusive control over the Tax Contest involving any Tax Adjustment proposed, asserted or assessed pursuant to any Tax Contest relating to or involving any Tax-Related Losses to the extent such Party is allocated such Tax under Section 6.4(a) or (b), respectively, including exclusive authority with respect to any settlement of such Tax liability, subject to Sections 9.2(f), (g), (h) and (i). VSI and SpinCo shall jointly control any Tax Contest relating to or involving Tax-Related Loss Contributions allocated under Section 6.5(c).

(f) *Settlement Rights.* For Tax Contests other than those that are jointly controlled by the Parties pursuant to Section 9.2(e), unless waived by the Non-Controlling Party in writing, in connection with any potential adjustment in a Tax Contest as a result of which adjustment the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment (or any payment under Section 5) to the Controlling Party under this Agreement: (i) the Controlling Party shall keep the Non-Controlling Party informed in a timely manner of all actions taken or proposed to be taken by the Controlling Party with respect to such potential adjustment in such Tax Contest; (ii) the Controlling Party shall provide the Non-Controlling Party copies of any written materials relating to such potential adjustment in such Tax Contest received from any Tax Authority; (iii) the Controlling Party shall timely provide the Non-Controlling Party with copies of any correspondence or filings submitted to any Tax Authority or judicial authority in connection with such potential adjustment in such Tax Contest; (iv) the Controlling Party shall consult with the Non-Controlling Party and offer the Non-Controlling Party a reasonable opportunity to comment before submitting any written materials prepared or furnished in connection with such potential adjustment in such Tax Contest; (v) the Controlling Party shall defend such Tax Contest diligently and in good faith; and (vi) the Controlling Party shall not settle or compromise such Tax Contest without the prior written consent of the Non-Controlling Party (not to be unreasonably withheld, conditioned or delayed). The failure of the Controlling Party to take any action specified in the preceding

sentence with respect to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability and/or obligation which it may have to the Controlling Party under this Agreement except to the extent that the Non-Controlling Party was materially prejudiced by such failure. In the case of any Tax Contest described in Section 9.2(a), (b), (c), or (e), “**Controlling Party**” means the Company entitled to control the Tax Contest under such Section and “**Non-Controlling Party**” means the other Company or Companies.

(g) *Tax Contest Participation.* Unless waived by the Non-Controlling Party in writing, the Controlling Party shall provide the Non-Controlling Party with written notice reasonably in advance of, and the Non-Controlling Party shall have the right (at its own expense) to attend, any formally scheduled meetings with Tax Authorities or hearings or proceedings before any judicial authorities in connection with any potential adjustment in a Tax Contest pursuant to which the Non-Controlling Party may reasonably be expected to become liable to make any indemnification payment (or any payment under Section 5) to the Controlling Party under this Agreement. The failure of the Controlling Party to provide any notice specified in this Section 9.2(g) to the Non-Controlling Party shall not relieve the Non-Controlling Party of any liability and/or obligation which it may have to the Controlling Party under this Agreement except to the extent that the Non-Controlling Party was materially prejudiced by such failure.

(h) *Power of Attorney.* SpinCo shall execute and deliver (or cause any member of the SpinCo Group to deliver) and VSI shall execute and deliver (or cause any member of the VSI Group to deliver) any power of attorney or other similar document reasonably requested by any other Party that is the Controlling Party in connection with any Tax Contest described in this Section 9.

(i) *Cooperation.* The Parties will cooperate and act in good faith with each other in the conduct of Tax Contests as reasonably requested by either of them, including (i) the retention and provision on a timely basis of books, records, documentation or other information relating to such Tax Contest, (ii) the filing or execution of any document that may be necessary or reasonably helpful in connection with the Tax Contest, (iii) the use of commercially reasonable efforts to obtain any documentation from a governmental authority or a third party that may be necessary or helpful in connection with the Tax Contest and (iv) the making of its employees and facilities reasonably available on a mutually convenient basis to facilitate such cooperation.

**ARTICLE X.**

**EFFECTIVE DATE.**

This Agreement shall be effective as of the Distribution Date.

**ARTICLE XI.**

**SURVIVAL.**

This Agreement shall remain in force and be binding so long as the applicable period for assessments or collections of Tax or the right to claim or use any Tax Benefit (including extensions) remains unexpired for any Taxes or Tax Benefits contemplated by, or indemnified against in, this Agreement plus two years; *provided* that to the extent a claim for indemnification is made prior to the expiration of this Agreement, this Agreement shall survive until such claim is finally resolved.

**ARTICLE XII.**

**TREATMENT OF PAYMENTS.**

12.1 General. In the absence of any change in Tax treatment under the Code or other applicable Tax Law, any indemnity payment between SpinCo and VSI made under this Agreement, including pursuant to Section 2, 3.3, 3.4 or 6.5, and any Tax Benefit payment made under this Agreement, including pursuant to Section 5, shall be treated, for all Tax purposes, as made immediately before the Distribution as a distribution (or, as context requires, an assumption of a liability under the Separation and Distribution Agreement or otherwise) by SpinCo to (or an assumption of a liability from) VSI or as a contribution by VSI to SpinCo, as appropriate. To the extent one Company makes a payment of interest to another Company relating to a payment of Tax under this Agreement, the interest payment shall be treated as interest expense to the payor and as interest income by the recipient and the amount of such payment shall not be adjusted to take into account any associated Tax Benefit to the payor or increase in Tax to the recipient.

12.2 After-Tax Basis. All indemnity payments under this Agreement, including pursuant to Section 2, 3.3, 3.4 or 6.5, shall be (i) increased to take account of any net Tax cost actually incurred by the indemnified party arising from the receipt or accrual of indemnity payments (grossed up for such increase) and (ii) reduced to take account of any net Tax Benefit actually realized by the indemnified party arising from the incurrence or payment of any amount or other loss indemnified against. In computing the amount of any such Tax cost or Tax Benefit, the indemnified party shall be deemed to recognize all other items of income, gain, loss deduction or credit, including the utilization of any available net operating loss carryforwards, before recognizing any item arising from the receipt of any indemnity payment hereunder or the incurrence or payment of any amount or other loss indemnified against hereunder. For purposes of this Section 12.2, an indemnified party shall be deemed to have “actually incurred” or “actually realized” a net



Tax cost or a net Tax Benefit to the extent that, and at such time as, the amount of Taxes payable (including Taxes payable on an estimated basis) by such indemnified party is increased above or reduced below, as the case may be, the amount of Taxes that such indemnified party would be required to pay but for the receipt or accrual of the indemnity payment or the incurrence or payment of such amount indemnified against as the case may be. The Companies shall make any adjusting payment between each other as is required under this Section 12.2 within ten (10) days of the date an indemnified party is deemed to have actually realized or actually incurred each net Tax Benefit or net Tax cost. The amount of any increase or reduction hereunder shall be adjusted to reflect any Final Determination with respect to the indemnified party's liability for Taxes and any payments necessary to reflect such adjustment shall be made within ten (10) days of such determination.

### ARTICLE XIII.

#### DISAGREEMENTS.

13.1 General Procedures. The Companies will use commercially reasonable efforts to resolve in an amicable manner all disagreements and misunderstandings connected with their respective rights and obligations under this Agreement (including those, if any, relating to the interpretation, implementation or compliance with the provisions of this Agreement). In furtherance thereof, in the event of any dispute or disagreement with respect to this Agreement (a "**Tax Matters Dispute**") between any member of the VSI Group and any member of the SpinCo Group, the Tax departments of the Companies (and their advisers if requested) shall negotiate in good faith to resolve the Tax Matters Dispute. In the event that such good faith negotiations do not resolve the Tax Matters Dispute, any one of the Parties that is a party to the dispute may by delivering a request in writing to the other(s), subject the Tax Matters Dispute to the procedures set forth in Section 13.2.

13.2 Tax Advisor Resolution. In the case of any Tax Matters Dispute governed by this Section 13.2, the disputing Parties shall appoint a Tax Advisor to resolve such dispute. In this regard, the Tax Advisor shall make determinations with respect to the disputed items based solely on representations and factual submissions made by the Parties to the Tax Matters Dispute and their respective representatives, and shall not conduct an independent review, and shall function only as an expert and not as an arbitrator and shall be required to make a determination in favor of one Party only. The Parties shall require the Tax Advisor to resolve any Tax Matters Dispute submitted no later than thirty (30) Business Days after submission of such dispute to the Tax Advisor, but (unless otherwise mutually agreed by the Parties) in no event later than the due date for the payment of Taxes or the filing of the applicable Tax Return, if applicable, and agree that all decisions by the Tax Advisor with respect thereto shall be final and conclusive and binding on the Parties. The Tax Advisor shall resolve any and all Tax Matters Disputes in a manner consistent with this Agreement and, to the extent not inconsistent with this Agreement, in a manner consistent with Past Practices, except as otherwise required by applicable Tax Law. The Parties shall require the Tax Advisor to render all determinations in writing and to set forth, in reasonable detail, the basis for such determination. The fees and expenses of the Tax Advisor shall be borne equally by the prevailing Party or Parties, on the one hand, and the non-prevailing Party or Parties, on the other.

**ARTICLE XIV.**

**LATE PAYMENTS.**

Except as otherwise provided in this Agreement, any amount owed by one Company to another Company under this Agreement that is not paid when due shall bear interest from the due date until paid at the Prime Rate plus two percent, compounded semiannually.

**ARTICLE XV.**

**EXPENSES.**

Except as otherwise provided in this Agreement, each Company and its Affiliates shall bear their own expenses incurred in connection with preparation of Tax Returns, Tax Contests, and other matters related to Taxes under the provisions of this Agreement.

**ARTICLE XVI.**

**GENERAL PROVISIONS.**

16.1 No Duplication of Payment. Notwithstanding anything to the contrary contained herein, nothing in this Agreement shall require a Company to make any payment attributable to any indemnification for Taxes or payment of Taxes hereunder, or to any Tax Benefit, for which payment has previously been compensated by such Company or another Company hereunder.

16.2 Subsidiaries. If, at any time, VSI or SpinCo acquires or creates one or more subsidiaries that are includable in the VSI Group or the SpinCo Group, as applicable, they shall be subject to this Agreement and all references to the VSI Group or the SpinCo Group herein shall thereafter include a reference to such subsidiaries. VSI and SpinCo shall each cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any Affiliate or subsidiary (direct or indirect) of such Company.

**ARTICLE XVII.**

**MISCELLANEOUS.**

17.1 Counterparts; Entire Agreement; Corporate Power; Facsimile Signatures.

(a) This Agreement may be executed in one or more counterparts (including by facsimile, PDF or other electronic transmission), all of which will be considered one and the same agreement.

(b) This Agreement, together with the Separation and Distribution Agreement and the other Ancillary Agreements, contain the entire agreement between the Parties with respect to the subject matter hereof, and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter.

(c) Each Party represents and warrants to the other Party as follows:

(i) it has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and

(ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof.

17.2 Governing Law. This Agreement will be governed by and construed and interpreted in accordance with the Laws of the State of Delaware without regard to rules of conflicts of laws.

17.3 Binding Effect; Assignability. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that no Party may assign any of its rights or assign or delegate any of its obligations under this Agreement without the express prior written consent of the other Party.

17.4 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and their respective Subsidiaries, Affiliates, successors and assigns and will not be deemed to confer upon any other Person any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement. The Parties agree that each SpinCo Indemnitee and CES Indemnitee who is not a party to this Agreement is an intended third party beneficiary of the indemnification provisions of this Agreement.

17.5 Notices. All notices, requests and other communications to any party hereunder will be in writing and will be deemed given if delivered personally, emailed (which is confirmed) or sent by overnight courier (providing proof of delivery) to the parties at the following addresses:

If to VSI, to:

Verint Systems Inc.  
175 Broadhollow Road  
Melville, New York 11747  
Attention: Chief Administrative Officer  
Email: peter.fante@verint.com

If to SpinCo to:

Cognyte Software Ltd  
33 Maskit  
Herzliya Pituach 4673333  
Israel  
Attention: Ziv Levi, Chief Legal Officer  
Email: ziv.levi@cognyte.com

A Party may, by notice to the other Party, change the address to which such notices are to be given. All such notices, requests and other communications will be deemed received on the date of actual receipt by the recipient thereof if received prior to 5:00 p.m. local time in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication will be deemed not to have been received until the next succeeding business day in the place of receipt.

17.6 Severability. If any provision of this 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 the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid, void or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties will negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect, as closely as possible, the original intent of the Parties.

17.7 Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

17.8 Waivers of Default; Remedies Cumulative. Waiver by a Party of any default by another Party of any provision of this Agreement will not be deemed a waiver by the waiving Party of any subsequent or other default, nor will it prejudice the rights of another Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

17.9 Amendments. No provisions of this Agreement may be waived, amended, supplemented or modified, 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.

17.10 Interpretation. In this Agreement (a) words in the singular will be deemed to include the plural and vice versa and words of one gender will be deemed to include the other genders as the context requires; (b) the terms "hereof," "herein," and "herewith" and words of similar import will, unless otherwise stated, be construed to refer to this

Agreement as a whole (including all of the Annexes hereto) and not to any particular provision of this Agreement; (c) Annex, Article, Section, Schedule and Exhibit references are to the Annexes, Articles, Sections, Schedules and Exhibits to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement (including this Agreement) will be deemed to include the exhibits, schedules and annexes to such agreement; (e) references to “\$” will mean U.S. dollars; (f) the word “including” and words of similar import when used in this Agreement will mean “including, without limitation,” unless otherwise specified; (g) the word “or” will not be exclusive; (h) unless otherwise specified in a particular case, the word “days” refers to calendar days; (i) references to “written” or “in writing” include in electronic form; (j) references to “business day” will mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or Israel, as the context requires; (k) references herein to this Agreement or any other agreement contemplated herein will be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (l) unless expressly stated to the contrary in this Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import will all be references to the date set forth in the Preamble.

17.11 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, neither SpinCo or any other member of the SpinCo Group, on the one hand, nor VSI or any other member of the CES Group, on the other hand, will be liable under this Agreement to the other for any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other (other than any such damages awarded to a Third Party with respect to a Third-Party Claim).

17.12 Performance. VSI will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the CES Group. SpinCo will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the SpinCo Group.

17.13 Mutual Drafting. This Agreement will be deemed to be the joint work product of the Parties, and any rule of construction that a document will be interpreted or construed against a drafter of such document will not be applicable.

*[Signatures on Following Page]*

IN WITNESS WHEREOF, each party has caused this Agreement to be executed on its behalf by a duly authorized representative on the date first set forth above:

VERINT SYSTEMS INC.

By: /s/ Douglas E. Robinson

Name: Douglas E. Robinson

Title: Chief Financial Officer

COGNYTE SOFTWARE LTD.

By: /s/ David Abadi

Name: David Abadi

Title: Chief Financial Officer

**EMPLOYEE MATTERS AGREEMENT**

**BY AND BETWEEN**

**VERINT SYSTEMS INC.**

**AND**

**COGNYTE SOFTWARE LTD.**

**DATED AS OF FEBRUARY 1, 2021**

## EMPLOYEE MATTERS AGREEMENT

This EMPLOYEE MATTERS AGREEMENT (this "Agreement"), dated as of February 1, 2021, is by and between Verint Systems Inc., a Delaware corporation ("Parent"), and Cognyte Software Ltd., a company organized under the laws of the State of Israel ("SpinCo").

### RECITALS

WHEREAS, the board of directors of Parent (the "Parent Board") has determined that it is in the best interests of Parent and its shareholders to create a new publicly traded company that shall operate the SpinCo Business;

WHEREAS, in furtherance of the foregoing, the Parent Board has determined that it is appropriate and desirable to make a distribution, on a pro rata basis and in accordance with a distribution ratio to be determined by the Parent Board, to the holders of Parent Shares on the Record Date of all the outstanding SpinCo Shares owned by Parent (the "Distribution"), and, immediately following the Distribution separate the SpinCo Business from the CES Business (the "Separation");

WHEREAS, Parent and SpinCo entered into the Separation and Distribution Agreement (the "Separation and Distribution Agreement"), dated as of February 1, 2021, in order to carry out, effect and consummate the Separation and the Distribution and set forth the principal arrangements between them regarding the terms of the Separation and the Distribution; and

WHEREAS, the Parties desire to provide for and agree upon the allocation between the Parties of the principal employment, compensation, equity plan, and other benefit plan arrangements of each of the Parties and their respective affiliates arising prior to, as a result of, and subsequent to the Separation and the Distribution, and to provide for and agree upon other matters relating to such matters.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

### ARTICLE I

#### DEFINITIONS

Section 1.01 Defined Terms. For the purpose of this Agreement, the following terms shall have the following meanings, and capitalized terms used herein and not otherwise defined in this Article I shall have the respective meanings assigned to them in the Separation and Distribution Agreement.

- (a) "Adjusted Parent Award" means an Adjusted Parent RSU Award or Adjusted Parent PSU Award.



(b) “Adjusted Parent PSU Award” means a performance-based restricted stock unit award granted pursuant to a Parent Equity Plan as adjusted in accordance with Section 6.01.

(c) “Adjusted Parent RSU Award” means a restricted stock unit award granted pursuant to a Parent Equity Plan as adjusted in accordance with Section 6.01.

(d) “Affiliate” has the meaning set forth in the Separation and Distribution Agreement. It is expressly agreed that, prior to, at and after the Effective Time, for purposes of this Agreement, (a) no member of the SpinCo Group will be deemed to be an Affiliate of any member of the CES Group, and (b) no member of the CES Group will be deemed to be an Affiliate of any member of the SpinCo Group.

(e) “Agreement” has the meaning set forth in the Preamble.

(f) “Benefit Plan” means any (i) “employee benefit plan,” as defined in ERISA Section 3(3) (whether or not such plan is subject to ERISA); and (ii) employment, compensation, severance, redundancy, salary continuation, bonus, thirteenth month, incentive, retirement, thrift, superannuation, savings, pension, workers’ compensation, termination benefit (including termination notice requirements), termination indemnity, other indemnification, supplemental unemployment benefit, profit sharing, deferred compensation, stock ownership, stock purchase, stock option, stock appreciation right, restricted stock, performance stock, “phantom” stock, performance stock unit, restricted stock unit, other equity-based incentive, change in control, paid time off, perquisite, fringe benefit, vacation, disability, life, or other insurance, death benefit, hospitalization, medical, or other compensatory or benefit plan, program, fund, agreement, arrangement, or policy of any kind (whether written or oral, qualified or nonqualified, funded or unfunded, foreign or domestic, currently effective or terminated), and any trust, escrow or similar agreement related thereto, whether or not funded.

(g) “COBRA” means coverage required by Section 4980B of the Code or ERISA Section 601 et. seq.

(h) “Code” means the U.S. Internal Revenue Code of 1986, as amended.

(i) “Collective Bargaining Agreement” means (i) any collective bargaining agreement or labor agreement with a union, works council, or trade representative, to which any member of the CES Group or the SpinCo Group is a party or by which it is otherwise bound or (ii) any terms and conditions that apply to Employees who perform services outside of the United States by virtue of membership in a union or participation in a particular trade, industry or economic sector.

(j) “Distribution” has the meaning set forth in the Recitals.

(k) “Employee” means, as applicable, an employee on the payroll of Parent or any other member of the CES Group or SpinCo or any other member of the SpinCo Group, including any employee absent from work on account of vacation, annual leave, jury duty, funeral leave, personal leave, sickness, short-term disability, long-term disability

or workers' compensation leave (in each case, unless treated as a separated employee for employment purposes), military leave, family leave, parental leave (whether paid or unpaid), pay continuation leave, garden leave, or other approved leave of absence or for whom an obligation to recall, rehire or otherwise return to employment exists under a contractual obligation or Law. A Former Employee is not considered an "Employee" for purposes of this Agreement.

(l) "Employee Recoupment Asset" means an employer's right to repayment from an employee or former employee in respect of a tax equalization payment, sign-on bonus payment, relocation expense payment, tuition payment, reimbursement, loan, or other similar item, including any agreement related thereto.

(m) "Employment Agreement" means an employment contract between a member of the CES Group or the SpinCo Group, as applicable, and an Employee (including a contract in place prior to the Spin-off Date or one that takes effect on or after the Spin-off Date).

(n) "ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended.

(o) "First Post-Distribution Trading Day" means, with respect to Parent Shares, the first day on or following the Spin-off Date on which "regular way" trading in Parent Shares is reported on NASDAQ and, with respect to SpinCo Shares, the first day on or following the Spin-off Date on which "regular way" trading in SpinCo Shares is reported on NASDAQ.

(p) "Former Employee" means any individual whose employment with Parent and all of its Subsidiaries (including SpinCo and any other member of the SpinCo Group) terminated on or prior to the Spin-off Date and for whom no obligation to recall, rehire or otherwise return to employment exists under a contractual obligation or applicable Law.

(q) "Health and Welfare Plan" means any Benefit Plan established or maintained to provide Employees or Former Employees or their beneficiaries, through the purchase of insurance or otherwise, medical, dental, prescription, vision, short-term disability, long-term disability, death benefits, life insurance, accidental death and dismemberment insurance, business travel accident insurance, employee assistance program, group legal services, wellness, cafeteria (including premium payment, health care flexible spending account, and dependent care flexible spending account components), travel reimbursement, transportation, vacation benefits, apprenticeship or other training programs, day care centers, or prepaid legal services benefits, including any "employee welfare benefit plan" (as defined in ERISA Section 3(1)), whether or not subject to ERISA, that is not a severance plan.

(r) "Incurred Claim" means a Liability related to services or benefits provided under a Benefit Plan, which will be deemed to be incurred:  
(i) with respect to medical, dental, vision, and prescription drug benefits, upon the rendering of services

giving rise to such Liability; (ii) with respect to death benefits, life insurance, accidental death and dismemberment insurance, and business travel accident insurance, upon the occurrence of the event giving rise to such Liability; (iii) with respect to disability benefits, upon the date of disability, as determined by the applicable disability benefit insurance carrier or claim administrator; (iv) with respect to a period of continuous hospitalization, upon the date of admission to the hospital; and (v) with respect to tuition reimbursement or adoption assistance, upon completion of the requirements for such reimbursement or assistance, whichever is applicable.

(s) “Israeli Tax Ruling” has the meaning set forth in Section 6.01(d).

(t) “NASDAQ” means the Nasdaq Global Select Market.

(u) “Notice” means any written notice, request, demand or other communication specifically referencing this Agreement and given in accordance with Section 7.08.

(v) “Parent” has the meaning set forth in the first paragraph of this Agreement.

(w) “Parent 401(k) Plan” means the Verint Systems Inc. 401(k) Savings Plan.

(x) “Parent Award” means a Parent RSU Award or Parent PSU Award, as applicable, which are subject to adjustment in accordance with Section 6.01 and/or with respect to which corresponding SpinCo Awards will be issued pursuant to Section 6.01.

(y) “Parent Benefit Plan” means a Benefit Plan sponsored by, maintained by, or contributed to by any member of the CES Group, other than a SpinCo Benefit Plan. For the avoidance of doubt, no member of the CES Group will be deemed to sponsor, maintain or contribute to any Benefit Plan if its relationship to such Benefit Plan is solely to administer such Benefit Plan or provide to the SpinCo Group any reimbursement in respect of such Benefit Plan.

(z) “Parent Board” has the meaning set forth in the Recitals.

(aa) “Parent Compensation Committee” means the Compensation Committee of the Parent Board.

(bb) “Parent Equity Plan” means, collectively, the Verint Systems Inc. 2019 Long-Term Stock Incentive Plan, the Verint Systems Inc. Amended and Restated 2015 Long-Term Stock Incentive Plan, and any incentive compensation program or arrangement that governs the terms of equity-based incentive awards assumed by the CES Group in connection with a corporate transaction and that is maintained by the CES Group immediately prior to the Spin-off Date (excluding the SpinCo Equity Plan and any other plan maintained solely by SpinCo or any other member of the SpinCo Group), and any sub-plans established under those programs.

- (cc) “Parent Former Employee” means a Former Employee who is not a SpinCo Former Employee.
- (dd) “Parent Health and Welfare Plan” means a Health and Welfare Plan sponsored by, maintained by, or contributed to by any member of the CES Group. For the avoidance of doubt, no member of the CES Group will be deemed to sponsor, maintain or contribute to any Health and Welfare Plan if its relationship to such Health and Welfare Plan is solely to administer such Health and Welfare Plan or provide to the SpinCo Group any reimbursement in respect of such Health and Welfare Plan.
- (ee) “Parent Non-U.S. Retirement Plan” means any Benefit Plan that is a pension or retirement plan (other than a severance plan) that is maintained by any member of the CES Group for the benefit of Employees employed outside the U.S., other than a SpinCo Benefit Plan.
- (ff) “Parent Phantom Award” means a “phantom” award, payable in cash and tied to the value of Parent Shares, granted by Parent and outstanding immediately prior to the Spin-off Date.
- (gg) “Parent Post-Distribution Stock Value” means the volume weighted average per share price of one Parent Share, trading “regular way,” as reported on the NASDAQ measured during the 5 consecutive trading days starting with the First Post-Distribution Trading Day, rounded to the nearest cent.
- (hh) “Parent PSU Award” means a performance-based restricted stock unit award granted pursuant to a Parent Equity Plan and outstanding immediately prior to the Spin-off Date.
- (ii) “Parent RSU Award” means a restricted stock unit award granted pursuant to a Parent Equity Plan and outstanding immediately prior to the Spin-off Date.
- (jj) “Parent Shares” means the common shares of Parent, \$0.001 par value per share.
- (kk) “Party” or “Parties” means a party or the parties to this Agreement.
- (ll) “Pre-Distribution Stock Value” means the volume weighted average per share price of one Parent Share, trading “regular way,” as reported on the NASDAQ during the 3 consecutive trading days ending with the day immediately prior to the Spin-off Date (or if such day is not an NASDAQ trading day, ending on the next preceding NASDAQ trading day), rounded to the nearest cent; provided, however, that the Pre-Distribution Stock Value shall only be measured on trading days on which the price per Parent Share remains based on the value of the combined company.
- (mm) “Retained Employee” means any Employee other than a SpinCo Employee.
- (nn) “Securities Act” means the U.S. Securities Act of 1933, as amended.

- (oo) “Separation” has the meaning set forth in the Recitals.
- (pp) “Separation and Distribution Agreement” has the meaning set forth in the Recitals.
- (qq) “SpinCo” has the meaning set forth in the Preamble.
- (rr) “SpinCo Award” means a SpinCo RSU Award or SpinCo PSU Award, as applicable, issued pursuant to Section 6.01.
- (ss) “SpinCo Benefit Plan” means each Benefit Plan sponsored by, maintained by, or contributed to by any member of the SpinCo Group and that covers SpinCo Employees and/or SpinCo Former Employees. For the avoidance of doubt, no member of the SpinCo Group will be deemed to sponsor, maintain or contribute to any Benefit Plan if its relationship to such Benefit Plan is solely to administer such Benefit Plan or provide to the CES Group any reimbursement in respect of such Benefit Plan.
- (tt) “SpinCo Employee” means any Employee who is (i) employed by any member of the SpinCo Group immediately prior to the Spin-off Date or who continues in employment with the SpinCo Group from and after the Spin-off Date, or (ii) hired by any member of the SpinCo Group on or after the Spin-off Date.
- (uu) “SpinCo Equity Plan” means the equity incentive compensation plan or arrangement that governs the terms of equity-based incentive awards assumed by the SpinCo Group in connection with this Agreement and any sub-plans established under those programs.
- (vv) “SpinCo Former Employee” means a Former Employee who was primarily employed or engaged by the SpinCo Group immediately prior to such individual’s termination of employment.
- (ww) “SpinCo Health and Welfare Plan” means a SpinCo Benefit Plan that is a Health and Welfare Plan. For the avoidance of doubt, no member of the SpinCo Group will be deemed to sponsor, maintain or contribute to any Health and Welfare Plan if its relationship to such Health and Welfare Plan is solely to administer such Health and Welfare Plan or provide to the CES Group any reimbursement in respect of such Health and Welfare Plan.
- (xx) “SpinCo Post-Distribution Stock Value” means the volume weighted average per share price of one SpinCo Share, trading “regular way,” as reported on NASDAQ, or such alternative primary exchange on which SpinCo Shares may be traded at such time, on each of the 5 consecutive trading days starting with the First Post-Distribution Trading Day, rounded to the nearest cent.

- (yy) “SpinCo PSU Award” means a performance-based restricted stock unit award issued by SpinCo in accordance with Section 6.01.
- (zz) “SpinCo Retirement Plan” means any SpinCo Benefit Plan that is a retirement or pension plan.
- (aaa) “SpinCo RSU Award” means a restricted stock unit award issued by SpinCo in accordance with Section 6.01.
- (bbb) “Tax” has the meaning set forth in the Tax Matters Agreement.
- (ccc) “Tax Authority” has the meaning set forth in the Tax Matters Agreement.

## ARTICLE II

### GENERAL PRINCIPLES

#### Section 2.01 Allocation of Liabilities.

(a) *SpinCo Liabilities*. Effective as of the Effective Time, and except as expressly provided in this Agreement, SpinCo hereby assumes (or retains) or will cause any other member of the SpinCo Group to assume (or retain) and agrees to (or to cause another member of the SpinCo Group to) pay, perform, fulfill, discharge, and indemnify the CES Group for, all Liabilities (i) to the extent relating to, arising out of, or resulting from the employment (or termination of employment) of any SpinCo Employee or any SpinCo Former Employee, whether such Liabilities relate to or arise out of periods on, prior to or after the Spin-off Date and including any Liabilities that are required to be assumed pursuant to local Law, or (ii) which are expressly assumed or retained by the SpinCo Group pursuant to this Agreement. For the avoidance of doubt, SpinCo shall assume (or retain) all statutory employee entitlements, including accrued but untaken annual leave, long service leave, personal leave, sick leave, family, parental or carer’s leave and redundancy or severance pay related to any SpinCo Employee or SpinCo Former Employee.

(b) *Parent Liabilities*. Effective as of the Effective Time, and except as expressly provided in this Agreement, Parent hereby assumes (or retains) or will cause any other member of the CES Group to assume (or retain) and agrees to (or to cause another member of the CES Group to) pay, perform, fulfill, discharge, and indemnify the Spinco Group for, all Liabilities (i) to the extent relating to, arising out of, or resulting from the employment (or termination of employment) of any Retained Employee or any Parent Former Employee, whether such Liabilities relate to or arise out of periods on, prior to or after the Spin-off Date or (ii) which are expressly assumed or retained by the CES Group pursuant to this Agreement.

(c) *Intended Effect; Other Liabilities*. The intended effect of this Agreement, except to the extent expressly provided herein, is that (i) the SpinCo Group (or a member thereof) will assume or retain all Liabilities to or related to SpinCo Employees and SpinCo Former Employees including under the Parent Benefit Plans (with respect to SpinCo

Employees and SpinCo Former Employees) and all Liabilities under or with respect to any SpinCo Benefit Plan or any Employment Agreement with any SpinCo Employee, and (ii) the CES Group (or a member thereof) will assume and retain all Liabilities to or related to Employees and Former Employees other than SpinCo Employees and SpinCo Former Employees and all Liabilities under the Parent Benefit Plans (excluding those with respect to SpinCo Employees and SpinCo Former Employees) and any Employment Agreement with any Retained Employee. To the extent that this Agreement does not address particular Liabilities and the Parties later determine that such Liabilities should be allocated in connection with the Separation, the Parties will agree in good faith on the allocation, taking into account the handling of comparable Liabilities under this Agreement.

(d) *Transfer of Employees.* Except with respect to employees who transfer employment pursuant to Section 2.04 after the Spin-off Date, Parent will use commercially reasonable efforts to ensure that employees of the CES Group who are designated by Parent to transfer employment to the SpinCo Group transfer to the appropriate member of the SpinCo Group prior to the Spin-off Date, taking into account the requirements of local Law (including, where required by applicable Law, ensuring that they resign from their employment with Parent or a member of the CES Group and accept employment with SpinCo or a member of the SpinCo Group and sign any documentation required by applicable Law in connection with such transfer).

Section 2.02 Employment with SpinCo.

(a) *Retention of Employees.* From and after the Effective Time, the Parties intend for SpinCo Employees to remain employed by the SpinCo Group and all other Employees to remain employed by the CES Group. The Parties will cooperate in good faith to identify clearly the SpinCo Employees. SpinCo will be responsible for, and will indemnify the CES Group from and against, any Liabilities incurred (including any severance payments made or required to be made): (i) in connection with the transfer or termination of a SpinCo Employee on or after the Spin-off Date, (ii) arising from or in connection with a failure or refusal by any SpinCo Employee to continue in employment from and after the Spin-off Date, and (iii) any other Liabilities retained or assumed by SpinCo (or any other member of the SpinCo Group) under this Agreement. Parent will be responsible for, and will indemnify the SpinCo Group from and against, any Liabilities incurred (including any severance payments made or required to be made): (i) in connection with the transfer or termination of an Employee other than a SpinCo Employee on or after the Spin-off Date, (ii) arising from or in connection with a failure or refusal by any Employee other than a SpinCo Employee to continue in employment from and after the Spin-off Date, and (iii) any other Liabilities retained or assumed by Parent (or any other member of the CES Group) under this Agreement.

(b) *Certain Local Law Requirements.* Notwithstanding anything to the contrary herein, the following terms will apply to all SpinCo Employees:

(i) To the extent that (A) the applicable Law of any jurisdiction, (B) any applicable Collective Bargaining Agreement or other applicable agreement

with a works council or economic committee, or (C) any applicable Employment Agreement would require SpinCo or a member of the SpinCo Group to provide any specific terms of employment to any SpinCo Employee in connection with the Distribution, then SpinCo will cause the SpinCo Group to provide such SpinCo Employee with such specific terms. SpinCo will be responsible for liabilities for, and will cause the SpinCo Group to provide, all compensation or benefits (whether statutory, contractual or otherwise) to each SpinCo Employee arising from or related to the transactions contemplated by the Separation and Distribution Agreement, or the related transfer of the employee to SpinCo or a member of the SpinCo Group.

(ii) Parent and SpinCo agree that to the extent provided under the applicable Laws of certain foreign jurisdictions, (A) any Employment Agreements between a member of the CES Group, on the one hand, and any SpinCo Employee, on the other hand, and (B) any Collective Bargaining Agreements applicable to the SpinCo Employees in such jurisdictions, will in each case have effect after the Distribution as if originally made between the SpinCo Group and the other parties to such Employment Agreement or Collective Bargaining Agreement.

Section 2.03 Establishment of SpinCo Plans. From and after the Spin-off Date, SpinCo will (or will cause another member of the SpinCo Group to) adopt or continue in effect the SpinCo Benefit Plans (and related trusts, if applicable, as determined by the Parties) that were in effect prior to the Spin-off Date and such other SpinCo Benefit Plans as determined in the discretion of the SpinCo Group (or any member thereof), subject to the terms and conditions of Section 2.02(b). Notwithstanding the foregoing or any other provision of this Agreement, SpinCo will adopt the SpinCo Equity Plan prior to the Spin-off Date.

Section 2.04 Transfers by Mutual Agreement. The Parties recognize that, prior to and/or for a period of twelve (12) months from the Spin-off Date, they may determine it to be in their mutual best interests to transfer an individual classified (or who would otherwise be classified) as a Retained Employee to the SpinCo Group or to transfer an individual classified (or who would otherwise be classified) as a SpinCo Employee to the CES Group. With the express written consent of each Party, CES Group or SpinCo Group, as applicable, will use commercially reasonable efforts to ensure that such individual's employment is either transferred, terminated by such individual by resigning, or failing that, will be terminated by the CES Group or the SpinCo Group, as applicable, and such Employee will be immediately offered employment by the other Party on the same basis as mandated by Section 2.02(b) (such terminations and hires are referred to in this Section 2.04 as "transfers"), in each case taking into account the requirements of local Law. Retained Employees (or a person who would otherwise be classified as a Retained Employee, in any case with such status being determined as of the date of transfer) who are subsequently transferred to the SpinCo Group pursuant to this Section 2.04 will be treated as Retained Employees for all purposes hereof during their time as Employees of the CES Group until their actual transfer to the SpinCo Group, upon and following which



the Parties will use commercially reasonable efforts to provide that they are treated as SpinCo Employees for all purposes hereof. SpinCo Employees (or a person who would otherwise be classified as a SpinCo Employee, with such status being determined as of the date of transfer) who are subsequently transferred to the CES Group pursuant to this Section 2.04 will be treated as SpinCo Employees for all purposes hereof during their time as Employees of the SpinCo Group until their actual transfer to the CES Group, upon and following which the Parties will use commercially reasonable efforts to provide that they are treated as Retained Employees for all purposes hereof.

Section 2.05 Collective Bargaining Agreements. Effective as of the Spin-off Date, (i) Parent or a member of the CES Group will retain each Collective Bargaining Agreement then in effect covering any Retained Employee and will retain all liabilities arising prior to the Spin-off Date and assume all liabilities arising after the Spin-off Date under each such Collective Bargaining Agreement and (ii) SpinCo or a member of the SpinCo Group will retain or assume each Collective Bargaining Agreement then in effect covering any SpinCo Employee and will retain all liabilities arising prior to the Spin-off Date and assume all liabilities arising after the Spin-off Date under each such Collective Bargaining Agreement.

Section 2.06 Outstanding Offer Letters. From and after the Spin-off Date, (i) the SpinCo Group (or a member thereof) will assume or retain all Liabilities, promises or other obligations set forth in offer letters extended to prospective employees who are ultimately hired as SpinCo Employees and (ii) the CES Group (or a member thereof) will assume and retain all Liabilities, promises or other obligations set forth in offer letters extended to prospective employees who are ultimately hired as Retained Employees. Furthermore, to the extent that any such offer letters include a promise to recommend that an Employee receive an equity grant, any such equity grants recommended to be awarded to SpinCo Employees (if approved) shall be granted under the SpinCo Equity Plan, and any such equity grants recommended to be awarded to Retained Employees (if approved) shall be granted under the Verint Systems Inc. 2019 Long-Term Stock Incentive Plan and, in each case, shall take into account the principals of Article VI in determining the total number of shares to be subject to such equity grant.

### ARTICLE III

#### PARENT 401(K) PLAN

Section 3.01 401(k) Plan. From and after the Spin-off Date, the Parent 401(k) Plan will continue to be responsible for all Liabilities thereunder and no assets or Liabilities of the Parent 401(k) Plan will be transferred to any SpinCo Benefit Plan and SpinCo will not assume any Liabilities under or with respect to the Parent 401(k) Plan, in each case other than in connection with any rollovers that may be made from the Parent 401(k) Plan to any SpinCo Benefit Plan that is a 401(k) plan in accordance with the terms of such plan.

## ARTICLE IV

### PARENT NON-U.S. RETIREMENT PLANS AND SPINCO RETIREMENT PLANS

Section 4.01 Parent Non-U.S. Retirement Plans. From and after the Spin-off Date, each member of the CES Group will continue to be responsible for all Liabilities under and with respect to any Parent Non-U.S. Retirement Plan, other than any such Liabilities attributable to SpinCo Employees and SpinCo Former Employees, and the SpinCo Group will not assume any Liabilities under or with respect to any such Parent Non-U.S. Retirement Plan other than those attributable to the SpinCo Employees and SpinCo Former Employees. Without limiting the generality of the foregoing, SpinCo Employees will cease to be active participants in the Parent Non-U.S. Retirement Plans effective as of the Spin-off Date and no SpinCo Employee will accrue any benefits under any Parent Non-U.S. Retirement Plan for periods after the Spin-off Date.

Section 4.02 SpinCo Retirement Plans. From and after the Spin-off Date, each member of the SpinCo Group will be responsible for all Liabilities under and with respect to any SpinCo Retirement Plan, other than any Liabilities attributable to Retained Employees and Parent Former Employees and no member of the CES Group will assume or otherwise have any Liabilities under or with respect to any SpinCo Retirement Plan other than those attributable to the Retained Employees and Parent Former Employees. Without limiting the generality of the foregoing, Retained Employees will cease to be active participants in any SpinCo Retirement Plan effective as of the Spin-off Date and no Retained Employee will accrue any benefits under any SpinCo Retirement Plan for periods after the Spin-off Date except in accordance with the express terms and conditions of and applicable SpinCo Retirement Plan.

## ARTICLE V

### WELFARE AND FRINGE BENEFIT PLANS

Section 5.01 Health and Welfare Plans.

(a) Allocation of Liabilities; Generally.

(i) Except as otherwise provided in this Agreement, from and after the Spin-off Date, (A) the CES Group and the Parent Health and Welfare Plans, as applicable, will continue to be responsible for all Liabilities under and with respect to the Parent Health and Welfare Plans (including all Incurred Claims, regardless of when the Incurred Claim arose or was incurred) other than any Liabilities attributable to SpinCo Employees or SpinCo Former Employees and (B) the CES Group and the Parent Health and Welfare Plans, as applicable, will retain all assets relating to or associated with the Parent Health and Welfare Plans and Incurred Claims (including Medicare reimbursements, insurance payments and reimbursements, pharmaceutical rebates, and similar items) other than any assets related to SpinCo Employees or SpinCo Former Employees that are transferred to a

corresponding SpinCo Health and Welfare Plan in connection with the SpinCo Group's assumption of any Liabilities that are associated with such assets. If any SpinCo Employees remain active participants in the Parent Health and Welfare Plans as of or following the Spin-off Date, the SpinCo Group will reimburse Parent for the cost of any benefits provided to such SpinCo Employees on or after the Spin-off Date.

(ii) Except as otherwise provided in this Agreement, from and after the Spin-off Date, (A) the SpinCo Group and the SpinCo Health and Welfare Plans, as applicable, will be responsible for all Liabilities under and with respect to the SpinCo Health and Welfare Plans (including all Incurred Claims, regardless of when the Incurred Claim arose or was incurred) other than any Liabilities attributable to Retained Employees or Parent Former Employees and (B) the SpinCo Group and the SpinCo Health and Welfare Plans, as applicable, will retain all assets relating to or associated with the SpinCo Health and Welfare Plans and Incurred Claims (including Medicare reimbursements, insurance payments and reimbursements, pharmaceutical rebates, and similar items) other than any assets related to Retained Employees or Parent Former Employees that are transferred to a corresponding Parent Health and Welfare Plan in connection with the CES Group's assumption of any Liabilities that are associated with such assets. If any Retained Employees remain active participants in the SpinCo Health and Welfare Plans as of or following the Spin-off Date, the CES Group will reimburse SpinCo for the cost of any benefits provided to such Retained Employees on or after the Spin-off Date.

(b) *COBRA*. Without limiting the generality of Section 5.01(a), the CES Group will continue to be responsible for compliance with the health care continuation requirements of COBRA, and the corresponding provisions of the Parent Health and Welfare Plans with respect to any (i) Retained Employees and any Former Employees (and their covered dependents) who incur a qualifying event under COBRA on, prior to, or following the Spin-off Date, and (ii) any SpinCo Employees (and their covered dependents) who incur a qualifying event under COBRA on or prior to the Spin-off Date.

Section 5.02 Vacation, Holidays, Annual Leave and Leaves of Absence. Effective as of the Spin-off Date, SpinCo will (or will cause any other member of the SpinCo Group to) retain (or assume) all Liabilities of the CES Group with respect to vacation, holiday, annual leave, long service or other leave of absence, and required payments related thereto, for each SpinCo Employee and each SpinCo Former Employee or reimburse the CES Group for any such expenses incurred by the CES Group in connection with the Separation. Parent will (or will cause any other member of the CES Group to) retain (or assume) all Liabilities with respect to vacation, holiday, annual leave, long service or other leave of absence, and required payments related thereto, for all Retained Employees and Parent Former Employees or reimburse the SpinCo Group for any such expenses incurred by the SpinCo Group in connection with the Separation.

Section 5.03 Severance and Unemployment Compensation. Effective as of the Spin-off Date, SpinCo will (or will cause another member of the SpinCo Group to) retain (or assume) all Liabilities to, or relating to, SpinCo Employees and SpinCo Former Employees in respect of severance and unemployment compensation or reimburse the CES Group for any such expenses incurred by the CES Group in connection with the Separation. The CES Group will be responsible for any and all Liabilities to, or relating to, Retained Employees and Parent Former Employees in respect of severance and unemployment compensation and will reimburse the SpinCo Group for any such expenses incurred by the SpinCo Group in connection with the Separation.

Section 5.04 Workers' Compensation. With respect to claims for workers' compensation in the United States, (a) the SpinCo Group will be responsible for claims in respect of SpinCo Employees and SpinCo Former Employees, whether occurring or related to events occurring prior to, on or following the Spin-off Date, and (b) the CES Group will be responsible for all claims in respect of Retained Employees and Parent Former Employees, whether occurring or related to events occurring prior to, on or following the Spin-off Date.

## ARTICLE VI

### EQUITY AND INCENTIVE PROGRAMS

#### Section 6.01 Equity Plans.

(a) The Parties will use commercially reasonable efforts to take all actions necessary or appropriate so that each outstanding Parent RSU Award and Parent PSU Award granted under a Parent Equity Plan will be adjusted or assumed, as applicable, as set forth in this Section 6.01.

(i) *Parent RSU Awards*. As determined by the Parent Compensation Committee pursuant to its authority under the applicable Parent Equity Plan, each Parent RSU Award, regardless of by whom held, whether vested or unvested, will be converted effective as of the Spin-off Date as described in this Section 6.01(a)(i). Each Parent RSU Award will be either (x) converted effective as of the Spin-off Date into an Adjusted Parent RSU Award (for Retained Employees, Parent Former Employees and Parent non-employee directors) or (y) assumed by SpinCo and converted effective as of the Spin-off Date into a SpinCo RSU Award (for SpinCo Employees and SpinCo Former Employees). Except as otherwise provided in this Section 6.01, each Adjusted Parent RSU Award and each SpinCo RSU Award shall be subject to the same terms and conditions (including with respect to vesting, settlement and termination) after the conversion as applied to such Parent RSU Award immediately prior to the conversion; provided, however, that:

(A) the number of Parent Shares (including those attributable to dividend equivalent units) subject to each Adjusted Parent RSU Award subject to this Section 6.01(a)(i)(A) will be equal to the quotient of (I) the

product of (a) the number of Parent Shares (including those attributable to dividend equivalent units) subject to the corresponding Parent RSU Award immediately prior to the Spin-off Date, multiplied by (b) the Pre-Distribution Stock Value; divided by (II) the Parent Post-Distribution Stock Value, rounded down to the nearest whole number; and

(B) the number of SpinCo Shares subject to each SpinCo RSU Award (including those attributable to dividend equivalent units) subject to this Section 6.01(a)(i)(A) will be equal to the quotient of (I) the product of (a) the number of Parent Shares (including those attributable to dividend equivalent units) subject to the corresponding Parent RSU Award immediately prior to the Spin-off Date, multiplied by (b) the Pre-Distribution Stock Value; divided by (II) the SpinCo Post-Distribution Stock Value, rounded down to the nearest whole number.

(ii) *Parent PSU Awards.* As determined by the Parent Compensation Committee pursuant to its authority under the applicable Parent Equity Plan, each Parent PSU Award, regardless of by whom held, whether vested or unvested, will be converted effective as of the Spin-off Date as described in this Section 6.01(a)(ii). For the avoidance of doubt, each Parent PSU Award with a performance period that ends on or near the Spin-off Date, but for which the performance results have not yet been determined, will be considered outstanding and unvested as of such date for purposes hereof and will be converted as described in this Section 6.01(a)(ii). Each Parent PSU Award will be either (x) converted effective as of the Spin-off Date into an Adjusted Parent PSU Award (for Retained Employees, Parent Former Employees and Parent non-employee directors) or (y) assumed by SpinCo and converted effective as of the Spin-off Date into a SpinCo PSU Award (for SpinCo Employees and SpinCo Former Employees). Except as otherwise provided in this Section 6.01, each Adjusted Parent PSU Award and each SpinCo PSU Award will be subject to the same terms and conditions (including with respect to vesting, settlement and termination) after the conversion as applied to the corresponding Parent PSU Award immediately prior to the conversion; provided, however, that:

(A) the number of Parent Shares subject to each Adjusted Parent PSU Award subject to this Section 6.01(a)(ii)(A) will be equal to the quotient of (I) the product of (a) the number of Parent Shares (including those attributable to dividend equivalent units) subject to the corresponding Parent PSU Award immediately prior to the Spin-off Date, multiplied by (b) the Pre-Distribution Stock Value; divided by (II) the Parent Post-Distribution Stock Value, rounded down to the nearest whole number;

(B) the number of SpinCo Shares subject to each SpinCo PSU Award subject to this Section 6.01(a)(ii)(A) will be equal to the quotient of (I) the product of (a) the number of Parent Shares (including those attributable to dividend equivalent units) subject to the corresponding Parent PSU

Award immediately prior to the Spin-off Date, multiplied by (b) the Pre-Distribution Stock Value; divided by (II) the Spinco Post-Distribution Stock Value, rounded down to the nearest whole number; and

(C) the performance criteria and performance targets under each Adjusted Parent PSU Award and each SpinCo PSU Award subject to this Section 6.01(a)(ii)(A) will be subject to equitable adjustment in connection with the Distribution as determined appropriate or required in the sole discretion of the Parent Compensation Committee; provided, however, that nothing in this clause (C) shall limit the authority of the Parent Compensation Committee (with respect to Adjusted Parent PSU Awards) or of the compensation committee of SpinCo (with respect to SpinCo PSU Awards) to exercise its discretion or make adjustments to such awards following the Distribution.

(b) *Miscellaneous Award Terms.*

(i) After the Spin-off Date, Adjusted Parent Awards, regardless of by whom held, will be obligations retained by and settled by Parent (from the Parent Equity Plan), and SpinCo Awards, regardless of by whom held, will be obligations assumed by and settled by SpinCo (from the SpinCo Equity Plan), in each case, without reimbursement by the other Party. Except as otherwise provided in this Agreement, with respect to grants described in this Section 6.01, no SpinCo Employee will be treated as having incurred a termination of employment with respect to any Parent Award solely by reason of the transfer of employment to SpinCo. In addition, none of the Separation, the Distribution, or any employment transfer described in Section 2.04 will constitute a termination of employment for any Employee for purposes of any Adjusted Parent Award or any SpinCo Award. Following the Spin-off Date, for any award adjusted under this Section 6.01, any reference to a “change in control,” “change of control” or similar definition in an award agreement, Employment Agreement or Parent Equity Plan applicable to such award (1) with respect to Adjusted Parent Awards, will 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 Parent Equity Plan, and (2) with respect to SpinCo Awards, will be deemed to refer to a “Change in Control” as defined in the SpinCo Equity Plan unless otherwise provided in an Employment Agreement between the holder and SpinCo or a subsidiary thereof; provided, however, to the extent that any such award constitutes “nonqualified deferred compensation” for purposes of Code Section 409A, and payable upon a “change in control event” for purposes of Code Section 409A, then such award shall be settled in accordance with its original terms.

(ii) If, after the Spin-off Date, (A) the Parties determine it to be in their mutual best interest that an individual’s employment is transferred to the SpinCo Group or to the CES Group in accordance with Section 2.04 or (B)

either Party identifies an administrative error in the individuals identified as holding Adjusted Parent Awards or SpinCo Awards, the amount of awards held by such individuals, the vesting level of such awards, or any other similar error, then the Parties will mutually cooperate in taking such actions as are necessary or appropriate to place, as nearly as reasonably practicable, the individual and Parent or SpinCo, as applicable, in the position in which they would have been had such transfer or error not occurred.

(c) *Tax Reporting and Withholding.* Following the Spin-off Date, it is expected that: (i) Parent will be responsible for all income, payroll and other tax remittance and reporting related to income of Retained Employees, Parent Former Employees, and, to the extent required, individuals who are or were Parent non-employee directors in respect of Adjusted Parent Awards; and (ii) SpinCo will be responsible for all income, payroll and other tax remittance and reporting related to income of SpinCo Employees and SpinCo Former Employees in respect of SpinCo Awards; subject, in both cases, to the terms and conditions of the Israeli Tax Ruling. Parent or SpinCo, as applicable, will facilitate performance by the other Party of its obligations hereunder by promptly remitting amounts or shares withheld in conjunction with a transfer of shares or cash, either (as mutually agreed by the Parties) directly to the applicable taxing authority or to the other Party for remittance to such taxing authority. The Parties will cooperate and communicate with each other and with third-party providers to effectuate withholding and remittance of taxes, as well as required tax reporting, in a timely, efficient and appropriate manner. If Parent or SpinCo determines in its reasonable judgment that any action required under this Section 6.01 will not achieve the intended tax, accounting and legal results, including, without limitation, the intended results under Code Section 409A or FASB ASC Topic 718 – Stock Compensation, then at the request of Parent or SpinCo, as applicable, Parent and SpinCo will mutually cooperate in taking such actions as are necessary or appropriate to achieve such results, or most nearly achieve such results if they originally-intended results are not fully attainable.

(d) *Registration and Other Regulatory Requirements; Israeli Tax Ruling.* Prior to the Spin-off Date (and in any case before the date of issuance of any SpinCo Shares pursuant to the SpinCo Equity Plan), SpinCo agrees to file a Form S-8 registration statement (or any other required forms) with respect to, and to cause to be registered pursuant to applicable Law, the SpinCo Shares authorized for issuance under the SpinCo Equity Plan, or such similar registration as may be required by applicable local Law. The Parties will take such additional actions as are deemed necessary or advisable to effectuate the foregoing provisions of this Section 6.01, including compliance with securities Laws and other legal requirements associated with equity compensation awards in affected non-U.S. jurisdictions. Notwithstanding anything to the contrary, treatment of each outstanding Parent RSU Award, Parent PSU Award, SpinCo RSU Award and SpinCo PSU Award, as set forth in this Section 6.01 held by (or for the benefit of) Israeli holders shall be subject to the terms and conditions of the Israeli tax ruling governing the subject matter (the “Israeli Tax Ruling”).

(e) *Further Adjustments.* Notwithstanding the foregoing provisions of this Section 6.01, the Parent Board (or a committee authorized by the Parent Board) may determine, in its sole discretion, not to adjust certain outstanding Parent equity-based awards pursuant to the foregoing provisions of this Section 6.01 where (i) those actions would create or trigger adverse legal, accounting or tax consequences for Parent, SpinCo and/or the affected award holders, or (ii) where the Parent Board (or such other committee authorized by the Parent Board) determines that an adjustment in accordance with the terms provided above is inappropriate due to distortions in either Parent or SpinCo's share values due, among other things, to an unforeseen temporary market event unrelated to Parent or SpinCo. In such circumstances, Parent and/or SpinCo may take any action necessary or advisable to prevent any such adverse legal, accounting or tax consequences or distortions, including (x) agreeing that the outstanding Parent equity-based awards of the affected award holders will terminate in accordance with the terms of the Parent Equity Plans and the underlying award agreements, in which case Parent will equitably compensate the affected award holders in an alternate manner determined by Parent in its sole discretion, or (y) apply an alternate adjustment method. Where and to the extent required by applicable Law or tax considerations outside the United States, the adjustments described in this Section 6.01 will be deemed to have been effectuated immediately prior to the Spin-off Date.

(f) *Code Section 409A.* Notwithstanding any other provision of this Agreement to the contrary, in the case of any Parent RSU Award or Parent PSU Award, all conversions and adjustments pursuant to this Section 6.01 will be made taking into account the requirements of Code Section 409A, to the extent applicable.

#### Section 6.02 Bonus and Incentive Plans.

(a) *Generally.* The SpinCo Group will retain (or assume) and be responsible for all bonus payments and other cash incentive payments to SpinCo Employees and SpinCo Former Employees in respect of any plan period, and the CES Group will retain (or assume) and be responsible for all bonus payments and other cash incentive payments to Retained Employees and Parent Former Employees in respect of any plan period. In furtherance of the foregoing, the Parent Compensation Committee (with respect to any such bonus or cash incentive obligations to Retained Employees and Parent Former Employees) and the compensation committee of SpinCo (with respect to any such obligations to SpinCo Employees and SpinCo Former Employees) shall have the authority to determine the satisfaction of applicable performance conditions and to exercise discretion or make adjustments to such obligations following the Spin-off Date.

(b) *Phantom Awards.* Each Parent Phantom Award shall, for applicable purposes of this Agreement, be considered a Parent RSU Award and shall be subject to conversion as described in Section 6.01(a)(i)(A) or Section 6.01(a)(i)(B), as applicable; provided, however, that, for the avoidance of doubt, any Parent Phantom Award adjusted pursuant to this Section 6.02(b) will remain subject to the same underlying terms and conditions as the original Parent Phantom Award (including, but not limited to, the fact that such award shall be settled in cash).



(c) *Stock Bonus Program.*

(i) The SpinCo Group will be responsible for all bonus payments to SpinCo Employees and SpinCo Former Employees under Parent's Stock Bonus Program in respect of any bonus period for which the scheduled delivery date has not yet occurred as of the Spin-off Date. Any portion of an annual bonus payout that a SpinCo Employee or SpinCo Former Employee has elected to receive in Parent Shares under the Stock Bonus Program will instead be paid in SpinCo Shares and (other than the settlement in SpinCo Shares) such portion of the annual bonus payout will be subject to the same terms and conditions (including, but not limited to, the discount rate, valuation methodology, payment schedule, and vesting schedule, if applicable) as set forth in the Stock Bonus Program and applicable enrollment form. Notwithstanding the foregoing, if the Value Date (as defined in the Stock Bonus Program) for a Stock Bonus Program bonus period occurs prior to the Spin-off Date but the scheduled delivery date for such bonus period occurs following the Spin-off Date, then any portion of the annual bonus payout that a SpinCo Employee or SpinCo Former Employee elected to receive in Parent Shares will instead be valued in SpinCo Shares immediately following the Spin-off Date and settled in SpinCo Shares on the original scheduled delivery date (and, for the avoidance of doubt, any valuation in Parent Shares that occurred prior to the Spin-off Date shall be disregarded).

(ii) Each restricted stock unit award granted to an Employee under Parent's Stock Bonus Program that is outstanding and remains subject to vesting as of the Spin-off Date shall, for purposes of this Agreement, be treated as a Parent RSU Award and shall be subject to conversion as described in Section 6.01(a)(i)(A) or Section 6.01(a)(i)(B), as applicable.

**ARTICLE VII**

**MISCELLANEOUS**

Section 7.01 Transfer of Records. Parent will transfer to SpinCo any and all employment records and information (including any Form I-9, Form W-2 or other Internal Revenue Service forms or foreign jurisdiction equivalents, personnel files, performance reviews and other employment related information) with respect to SpinCo Employees and other records reasonably required by SpinCo to enable SpinCo properly to carry out its obligations under this Agreement. In addition, to the extent applicable, SpinCo will transfer to Parent any and all employment records and information with respect to Retained Employees and other records reasonably required by Parent to enable Parent properly to carry out its obligations under this Agreement. In each case, such transfer of records generally will occur as soon as administratively practicable on or after the Spin-off Date. Each Party will permit the other Party reasonable access to Employee records to the extent reasonably necessary for such accessing Party to carry out its obligations

hereunder and/or respond to any complaints or otherwise carry out any necessary business purpose following the Spin-off Date. Any transfer required hereunder will be required only to the extent required or permitted by applicable local Law.

Section 7.02 Cooperation. Each Party will upon reasonable request provide the other Party and the other Party's respective Affiliates, agents and vendors all information reasonably necessary to the other Party's performance of its obligations hereunder. The Parties agree to use commercially reasonable efforts and to cooperate with each other to carry out their obligations hereunder and to effectuate the terms of this Agreement. Without limiting the generality of the foregoing, (a) Parent shall provide to SpinCo all information relating to the performance of the CES Group following the Distribution that is necessary for SpinCo to calculate any performance bonuses or similar obligations payable to any SpinCo Employee or SpinCo Former Employee for the performance period in which the Distribution occurs and (b) SpinCo shall provide to Parent all information relating to the performance of the SpinCo Group following the Distribution that is necessary for Parent to calculate any performance bonuses or similar obligations payable to any Retained Employee or Parent Former Employee for the performance period in which the Distribution occurs.

Section 7.03 Tax Benefits. If any member of the CES Group remits a payment to a Tax Authority for Taxes on behalf of any SpinCo Employee or a SpinCo Former Employee, SpinCo shall remit to Parent the amount for which it is liable within thirty (30) days after receiving written notification requesting such amount. If any member of the SpinCo Group remits a payment to a Tax Authority for Taxes on behalf of any Retained Employee or any Parent Former Employee, Parent shall remit to SpinCo the amount for which it is liable within thirty (30) days after receiving written notification requesting such amount. Effective as of the Spin-off Date, the CES Group will be entitled to all Employee Recoupment Assets in respect of all Employees and Former Employees to the extent that the Employee Recoupment Asset relates to a payment made by the CES Group. The SpinCo Group will be entitled to all Employee Recoupment Assets in respect of SpinCo Employees and SpinCo Former Employees to the extent that the Employee Recoupment Asset relates to a payment made by the SpinCo Group.

Section 7.04 Compliance. The agreements and covenants of the Parties hereunder will at all times be subject to the requirements and limitations of applicable Law (including local Laws, rules and customs relating to the treatment of benefit plans) and collective bargaining agreements, and/or social consultation as applicable. Where an agreement or covenant of a Party hereunder cannot be effected in compliance with applicable Law or an applicable collective bargaining agreement or social consultation requirement, the Parties agree to negotiate in good faith to modify such agreement or covenant to the least extent possible in keeping with the original agreement or covenant in order to comply with applicable Law or such applicable collective bargaining agreement or social consultation requirement. Each provision of this Agreement is subject to and qualified by this Section 7.04, whether or not such provision expressly states that it is subject to or limited by applicable Law or by applicable collective bargaining agreements. Each reference to the Code, ERISA, or the Securities Act or any other Law will be deemed to include the rules, regulations, and guidance issued thereunder.

Section 7.05 Preservation of Rights. Unless expressly provided otherwise in this Agreement, nothing herein will be construed as a limitation on the right of the CES Group or the SpinCo Group to (a) amend or terminate any Benefit Plan or (b) terminate the employment of any Employee.

Section 7.06 Not a Change in Control. The Parties acknowledge and agree that the Separation, Distribution and other transactions contemplated by the Separation and Distribution Agreement and this Agreement do not constitute a “change in control” or a “change of control” for purposes of any Benefit Plan, any Employment Agreement or any other agreement or arrangement.

Section 7.07 Reimbursements; Interest on Late Payments. The Parties acknowledge and agree that the CES Group, on one hand, and the SpinCo Group, on the other hand, may incur costs and expenses (including payment of compensation) which are the responsibility of the other Party as set forth in this Agreement. Accordingly, the Parties agree to reimburse each other for Liabilities and obligations for which such Party is responsible, and will provide such reimbursement reasonably promptly and in accordance with the terms of any agreement between the Parties or their Affiliates addressing such matters. Payments pursuant to this Agreement that are not made by the date prescribed in this Agreement or, if no such date is prescribed, within thirty (30) days after written demand for payment is made, shall accrue interest for the period from and including the date immediately following the due date therefor through and including the date of payment at a rate per annum equal to the Prime Rate plus two percent (2%) (compounded monthly). Such rate shall be redetermined at the beginning of each calendar quarter following such due date. Such interest will be payable at the same time as the payment to which it relates and shall be calculated on the basis of a year of three hundred sixty-five (365) days and the actual number of days for which due.

Section 7.08 Notices. Unless expressly provided herein, all notices, requests, claims, demands or other communications under this Agreement shall be delivered in accordance with the requirements for the provision of notice set forth in Section 10.6 of the Separation and Distribution Agreement.

Section 7.09 Procedures for Indemnification. For the avoidance of doubt, the procedures for indemnification, including with respect to Third-Party Claims, set forth in Article IV of the Separation and Distribution Agreement shall apply to all Liabilities assumed or allocated to any Party pursuant to this Agreement.

Section 7.10 Limitation on Enforcement. This Agreement is an agreement solely between the Parties. Nothing in this Agreement, whether express or implied, will be construed to: (a) confer upon any current or former Employee of the CES Group or the SpinCo Group, or any other person any rights or remedies, including to any right to (i) employment or recall; (ii) continued employment or continued service for any specified period; or (iii) claim any particular compensation, benefit or aggregation of benefits, of any kind or nature; or (b) create, modify, or amend any Benefit Plan.

Section 7.11 Disputes. The procedures for discussion, negotiation, mediation and arbitration set forth in Article VII of the Separation and Distribution Agreement 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.

Section 7.12 Third Party Consents. Without limiting or otherwise modifying the provisions regarding Approvals or Notifications set forth in the Separation and Distribution Agreement, if the obligation of any Party under this Agreement depends upon the Approval or Notification of a Third Party, such as a vendor or insurer, and that Approval or Notification is withheld, the Parties will use commercially reasonable efforts to implement the affected provisions of this Agreement to the fullest extent practicable; provided that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Parent and SpinCo, neither Parent nor SpinCo shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications. If any provision of this Agreement cannot be implemented due to the failure of a Third Party to provide a required Approval or Notification, the Parties will negotiate in good faith to implement the provision in a mutually satisfactory manner, taking into account the original purpose of the affected provision.

Section 7.13 Further Assurances and Consents. Without limiting or otherwise modifying the provisions of Article VIII of the Separation and Distribution Agreement, in addition to the actions specifically provided for in this Agreement, each of the Parties will use reasonable best efforts to (a) execute and deliver such further instruments and documents and take such other actions as the other Party may reasonably request to effectuate the purposes of this Agreement and to carry out the terms hereof, and (b) take, or cause to be taken, all actions and do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Law and agreements or otherwise to consummate and make effective the transactions contemplated by this Agreement, including using reasonable best effort to obtain any required consents and approvals and to make any filings and applications necessary or desirable to consummate the transactions contemplated by this Agreement; provided, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between Parent and SpinCo, no Party will be obligated to contribute capital or pay any consideration in any form therefor.

Section 7.14 Effect if Distribution Does Not Occur. If the Distribution does not occur, then all actions and events that are to be taken under this Agreement, or otherwise in connection with the Distribution, will not be taken or occur, except to the extent specifically provided by Parent.

Section 7.15 Counterparts; Entire Agreement; Authority; Facsimile Signatures.

(a) Counterparts. This Agreement may be executed in one (1) or more counterparts (including by facsimile, PDF or other electronic transmission), all of which shall be considered one (1) and the same agreement.

(b) *Entire Agreement.* This Agreement, together with the Separation and Distribution Agreement and the other Ancillary Agreements, contain the entire agreement between the Parties with respect to the subject matter hereof, and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter.

(c) *Authority.* Parent represents on behalf of itself, and SpinCo represents on behalf of itself, as follows:

- (i) it has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and
- (ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof.

Section 7.16 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware without regard to rules of conflicts of laws.

Section 7.17 Binding Effect; Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided, that neither Party may assign any of its rights or assign or delegate any of its obligations under this Agreement without the express prior written consent of the other Party.

Section 7.18 No Third Party Beneficiaries. The provisions of this Agreement are solely for the benefit of the Parties and their respective Subsidiaries, Affiliates, successors and assigns and will not be deemed to confer upon any other Person any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement. Nothing in this Agreement is intended to amend any Benefit Plan or affect Parent or SpinCo or the applicable plan sponsor's right to amend or terminate any Benefit Plan pursuant to the terms of such Benefit Plan. No Employee or Former Employee, officer, director, or independent contractor or any other individual associate therewith shall be regarded for any purpose as a third-party beneficiary of this Agreement.

Section 7.19 Severability. If any provision of this 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 the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid, void or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect, as closely as possible, the original intent of the Parties.

Section 7.20 No Set Off. Except as mutually agreed to in writing by the Parties, neither Party nor any other member of such Party's Group shall have any right of set-off or other similar rights with respect to (a) any amounts payable pursuant to this Agreement or (b) any other amounts claimed to be owed to the other Party or any other member of its Group arising out of this Agreement.

Section 7.21 Survival of Covenants. Except as expressly set forth in this Agreement, the covenants and agreements contained in this Agreement, and Liability for the breach of any such obligations contained herein, shall survive the Separation and the Distribution and shall remain in full force and effect.

Section 7.22 Waivers of Default; Remedies Cumulative. Waiver by a Party of any default by the other Party of any provision of this 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 a Party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

Section 7.23 Amendments. No provisions of this Agreement may be waived, amended, supplemented or modified, 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.

Section 7.24 Specific Performance. Subject to the provisions of Article VII of the Separation and Distribution Agreement, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief in respect of its or their rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties.

Section 7.25 Mutual Drafting. This Agreement shall be deemed to be the joint work product of the Parties, and any rule of construction that a document shall be interpreted or construed against a drafter of such document shall not be applicable.

Section 7.26 Predecessors or Successors. Any reference to Parent, SpinCo, a Person or a Subsidiary in this Agreement shall include any predecessors or successors (*e.g.*, by merger or other reorganization, liquidation or conversion) of Parent, SpinCo, such Person or such Subsidiary, respectively.

Section 7.27 Change in Law. Any reference to a provision of the Code or any other Tax Law shall include a reference to any applicable successor provision or Law.

Section 7.28 Limitations of Liability. Notwithstanding anything in this Agreement or the Separation and Distribution Agreement to the contrary, neither SpinCo or any other member of the SpinCo Group, on the one hand, nor Parent or any other member of the CES Group, on the other hand, shall be liable under this Agreement to the other for any indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other (other than any such damages awarded to a Third Party with respect to a Third-Party Claim).

Section 7.29 Performance. Parent 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 any member of the CES Group. SpinCo 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 any member of the SpinCo Group.

Section 7.30 Incorporation. Sections 10.10 (Headings) and 10.15 (Interpretation) the Separation and Distribution Agreement are hereby incorporated in this Agreement as if fully set forth herein.

[Signatures set forth on following page]

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

**Verint Systems Inc.**

By: /s/ Douglas E. Robinson  
Name: Douglas E. Robinson  
Title: Chief Financial Officer

**Cognyte Software Ltd.**

By: /s/ David Abadi  
Name: David Abadi  
Title: Chief Financial Officer

*[Signature Page to Employee Matters Agreement]*



TRANSITION SERVICES AGREEMENT

BETWEEN

VERINT SYSTEMS INC.

AND

COGNYTE SOFTWARE LTD.

DATED FEBRUARY 1, 2021

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## TRANSITION SERVICES AGREEMENT

THIS TRANSITION SERVICES AGREEMENT dated February 1, 2021 (this "Agreement"), is between Verint Systems Inc., a Delaware corporation ("VSI"), and Cognyte Software Ltd., a company organized under the laws of the State of Israel ("SpinCo"). VSI and SpinCo are sometimes referred to herein individually as a "Party", and collectively as the "Parties".

### RECITALS

A. SpinCo and VSI are parties to that certain Separation and Distribution Agreement dated as of February 1, 2021 (the "Separation and Distribution Agreement").

B. In connection with the Separation and Distribution Agreement, the board of directors of VSI (the "VSI Board") has determined that it is appropriate and desirable to make a distribution, on a pro rata basis and in accordance with a distribution ratio to be determined by the VSI Board, to holders of VSI Shares on the Record Date of all the outstanding SpinCo Shares owned by VSI (the "Distribution"), and, immediately following the Distribution separate the SpinCo Business from the CES Business (the "Separation").

C. In connection with the transactions contemplated by the Separation and Distribution Agreement and in order to ensure a smooth transition following the Distribution and Separation, each Party desires that the other Party provide, or cause its Affiliates or contractors to provide, certain transition services on an arm's-length basis.

In consideration of the forgoing and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

### ARTICLE I

#### DEFINITIONS

1.1 Definitions. Unless otherwise defined herein, each capitalized term will have the meaning specified for such term in the Separation and Distribution Agreement. As used in this Agreement:

"Additional SpinCo Service" has the meaning set forth in Section 2.2(b).

"Additional VSI Service" has the meaning set forth in Section 2.2(a).

"Agreement" has the meaning set forth in the Preamble.

"Ancillary Agreements" means all agreements (other than this Agreement and the Separation and Distribution Agreement) entered into by the Parties or members of their respective Groups (but as to which no Third Party is a party) in connection with the Separation, the Distribution or the other transactions contemplated by the Separation

and Distribution Agreement, including the Employee Matters Agreement, the Tax Matters Agreement, the Trademark Cross License Agreement, the Intellectual Property Cross License Agreement and the Transfer Documents.

“Authorized Representative” means, for each Party, any of the individuals listed on Annex A under the name of such Party.

“Availed Party” has the meaning set forth in Section 5.2(b).

“Data Protection Laws” has the meaning set forth in Section 5.2(a).

“Distribution” has the meaning set forth in the Recitals.

“Fees” means the fees for a particular Service as set forth on Annex B or Annex C as the case may be.

“Force Majeure” means, with respect to a Party, an event beyond the reasonable control of such Party (or any Person acting on its behalf), which event (a) does not arise or result from the fault or negligence of such Party (or any Person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by such Party (or such Person), or, if it would reasonably have been foreseen, was unavoidable, and includes acts of God, acts of civil or military authority, embargoes, epidemics, pandemics, war, riots, insurrections, fires, explosions, earthquakes, floods, unusually severe weather conditions, labor problems or unavailability of parts, or, in the case of computer systems, any significant and prolonged failure in electrical or air conditioning equipment.

“Materials” has the meaning set forth in Section 2.5(a).

“Partial Termination” has the meaning set forth in Section 6.3(a).

“Party” has the meaning set forth in the Preamble.

“Payment Due Date” has the meaning set forth in Section 4.4.

“Prime Rate” has the meaning set forth in Section 4.5.

“Protected Data” has the meaning set forth in Section 5.2(a).

“Safety and Security Policies” has the meaning set forth in Section 5.2(b).

“Sales Taxes” has the meaning set forth in Section 4.2.

“Separation” has the meaning set forth in the Recitals.

“Separation and Distribution Agreement” has the meaning set forth in the Recitals.

“Service Coordinators” has the meaning set forth in Section 7.8.

“Service Provider” means (a) in the case of VSI Services, VSI or any of its Subsidiaries providing a VSI Service hereunder, or (b) in the case of SpinCo Services, SpinCo or any of its Subsidiaries providing a SpinCo Service hereunder.

“Service Recipient” means (a) in the case of VSI Services, SpinCo or any of its Subsidiaries receiving a VSI Service hereunder, or (b) in the case of SpinCo Services, VSI or any of its Subsidiaries receiving a SpinCo Service.

“Service Recipient Data” means all of the data and information owned and provided solely by the Service Recipient, or created by the Service Provider solely on behalf, or for the benefit, of the Service Recipient (including any such data and information created by the Service Provider or the Service Recipient using the Service Provider’s computer systems or software) in relation to the provision of the Services.

“Service Term” means the term for a particular Service as set forth on Annex B or Annex C, as the case may be.

“Services” means the VSI Services or the SpinCo Services, individually, or the VSI Services and the SpinCo Services, collectively, as the context may indicate.

“SpinCo” has the meaning set forth in the Preamble.

“SpinCo Service Coordinator” has the meaning set forth in Section 7.8.

“SpinCo Services” means the Services generally described on Annex C and any other Service provided by SpinCo or any of its Subsidiaries pursuant to this Agreement.

“Systems, Facilities and Data” has the meaning set forth in Section 5.2(b).

“Term” has the meaning set forth in Section 6.1.

“Term Extension” has the meaning set forth in Section 6.2.

“VSI” has the meaning set forth in the Preamble.

“VSI Board” has the meaning set forth in the Recitals.

“VSI Group” means VSI and each Person that is a Subsidiary of VSI other than SpinCo and any other member of the SpinCo Group.

“VSI Indemnitees” has the meaning set forth in Section 7.2.

“VSI Service Coordinator” has the meaning set forth in Section 7.8.

“VSI Services” means the Services generally described on Annex B and any other Service provided by the VSI Group pursuant to this Agreement.

## PERFORMANCE AND SERVICES

2.1 General.

(a) During the Term, and subject to the terms and conditions of this Agreement, VSI will use commercially reasonable efforts to provide, or cause to be provided, the VSI Services to SpinCo and its Subsidiaries. The applicable Fee for each VSI Service will be the specified Fee for such VSI Service set forth on Annex B, and the applicable Service Term for each VSI Service will be the specified Service Term for such VSI Service set forth on Annex B, in each case, subject to adjustment for each Term Extension as provided in Section 6.2. Notwithstanding anything to the contrary contained herein or on any Annex, VSI will have no obligation under this Agreement to: (i) operate the SpinCo Business or any portion thereof (it being acknowledged and agreed by VSI and SpinCo that providing the VSI Services will not be deemed to be operating the SpinCo Business or any portion thereof); (ii) advance funds or extend credit to SpinCo; (iii) hire new employees for the purpose of providing the VSI Services; (iv) provide VSI Services to any Person other than members of the SpinCo Group; or (v) implement new systems, processes, technologies, plans or initiatives developed, acquired or utilized by VSI whether before or after the Distribution Date.

(b) During the Term, and subject to the terms and conditions of this Agreement, SpinCo will use commercially reasonable efforts to provide, or cause to be provided, the SpinCo Services to VSI and the other members of the VSI Group. The applicable Fee for each SpinCo Service will be the specified Fee for such SpinCo Service set forth on Annex C, and the applicable Service Term for each SpinCo Service will be the specified Service Term for such SpinCo Service set forth on Annex C, in each case, subject to adjustment for each Term Extension as provided in Section 6.2. Notwithstanding anything to the contrary contained herein or on any Annex, SpinCo will have no obligation under this Agreement to: (i) operate the CES Business or any portion thereof (it being acknowledged and agreed by VSI and SpinCo that providing the SpinCo Services will not be deemed to be operating the CES Business or any portion thereof); (ii) advance funds or extend credit to VSI; (iii) hire new employees for the purpose of providing the SpinCo Services; (iv) provide SpinCo Services to any Person other than members of the VSI Group; or (v) implement new systems, processes, technologies, plans or initiatives developed, acquired or utilized by SpinCo whether before or after the Distribution Date.

(c) Notwithstanding anything to the contrary in this Agreement, neither VSI nor SpinCo (nor any of their respective Subsidiaries) will be required to perform Services hereunder or take any actions relating thereto that conflict with or violate any applicable Law, contract, license, sublicense, authorization, certification or permit.

## 2.2 Additional Unspecified Services.

(a) If SpinCo reasonably determines in good faith after the date hereof (but no later than the date that is two months after the Spin-off Date) that additional transition services (not listed on Annex B) of the type previously provided by members of the VSI Group to support and assist the SpinCo Business are necessary to support and assist SpinCo in the conduct of the SpinCo Business, and SpinCo or its Subsidiaries are not able to provide (themselves or through service providers) such services to the SpinCo Business, then SpinCo may provide written notice thereof to VSI. Upon receipt of such notice by VSI, VSI will use commercially reasonable efforts to provide such additional service during the Term, subject to agreement between the Parties regarding an amendment to Annex B setting forth the additional service (each such service an “Additional VSI Service”), the terms and conditions for the provision of such Additional VSI Service and the Fees payable by SpinCo for such Additional VSI Service, such Fees to be determined on an arm’s-length basis. For the avoidance of doubt, VSI will have no obligation to provide any Additional VSI Services to the extent doing so would negatively impact the business or operations of VSI or its Subsidiaries in any material respect.

(b) If VSI reasonably determines in good faith after the date hereof (but no later than the date that is two months after the Spin-off Date) that additional transition services (not listed on Annex C) of the type previously provided by members of the SpinCo Group to support and assist the CES Business are necessary to support and assist VSI in the conduct of the CES Business, and VSI or its Subsidiaries are not able to provide (themselves or through service providers) such services to the CES Business, then VSI may provide written notice thereof to SpinCo. Upon receipt of such notice by SpinCo, SpinCo will use commercially reasonable efforts to provide such additional service during the Term, subject to agreement between the Parties regarding an amendment to Annex C setting forth the additional service (each such service an “Additional SpinCo Service”), the terms and conditions for the provision of such Additional SpinCo Service and the Fees payable by VSI for such Additional SpinCo Service, such Fees to be determined on an arm’s-length basis. For the avoidance of doubt, SpinCo will have no obligation to provide any Additional SpinCo Services to the extent doing so would negatively impact the business or operations of SpinCo or its Subsidiaries in any material respect.

2.3 Service Requests. Any requests by a Party to the other Party regarding the Services or any modification or alteration to the provision of the Services must be made by an Authorized Representative (it being understood that the receiving Party will not be obligated to agree to any modification or alteration requested thereby). Notwithstanding anything to the contrary hereunder, each Party may avail itself of the remedies set forth in Section 6.4 without fulfilling the notice requirements of this Section 2.3.

#### 2.4 Access.

(a) Subject to Section 5.2, SpinCo, at the reasonable request of VSI, will make available on a timely basis to VSI, all information reasonably requested by VSI to enable VSI to provide the VSI Services and the Additional VSI Services (if any). SpinCo will give VSI and its Affiliates, employees, agents and representatives, as reasonably requested by VSI and subject to applicable Law and contractual obligations, reasonable access, during regular business hours and at such other times as are reasonably required, to the premises of the SpinCo Business for the purposes of providing the VSI Services and the Additional VSI Services (if any).

(b) Subject to Section 5.2, VSI, at the reasonable request of SpinCo, will make available on a timely basis to SpinCo, all information reasonably requested by SpinCo to enable SpinCo to provide the SpinCo Services and the Additional SpinCo Services (if any). VSI will give SpinCo and its Affiliates, employees, agents and representatives, as reasonably requested by SpinCo and subject to applicable Law and contractual obligations, reasonable access, during regular business hours and at such other times as are reasonably required, to the premises of the CES Business for the purposes of providing the SpinCo Services and the Additional SpinCo Services (if any).

#### 2.5 Books and Records; Retention and Transfer of Materials and Service Recipient Data.

(a) For a period of 24 months following termination of this Agreement, the Service Provider will retain all books, records, files, databases or computer software or hardware (including current and archived copies of computer files) (the "Materials") with respect to matters relating to the Services provided to the Service Recipient hereunder that are in a form and contain a level of detail substantially consistent with the records retention policies of the Service Provider prior to the Distribution Date. The Service Provider will make such Materials available to the Service Recipient for its review, upon reasonable notice, at the Service Recipient's expense, during regular business hours, including in order to verify disputed charges under Section 4.6. If at any time during the 24-month period following the termination of this Agreement, the Service Recipient reasonably requests in writing that certain Materials be delivered to the Service Recipient, the Service Provider promptly will arrange for the delivery of the requested Materials in the form in which such Materials are then maintained by the Service Provider to a location specified by, and at the expense of, the Service Recipient. As promptly as practicable following the expiration of the Service Term (or earlier termination pursuant to Section 6.3) of a Service, the Service Provider will, upon request, use commercially reasonable efforts to furnish to the Service Recipient, and assist in the transition of Materials belonging to the Service Recipient and relating to such Service as clearly identified by the Service Recipient, in an industry standard or mutually agreed upon data format. For the avoidance of doubt, the obligations in this Section 2.5 will in no way derogate from any similar obligations set forth in Article VI of the Separation and Distribution Agreement.

(b) As between the Parties, the Service Recipient Data will be and will remain the property of the Service Recipient. The Service Provider will use the Service Recipient Data solely to provide the Services to the Service Recipient as set forth herein and for no other purpose whatsoever. During the Term, the Service Provider will, to the extent reasonably practicable and subject to Data Protection Laws, promptly provide the Service Recipient Data to the Service Recipient upon the Service Recipient's reasonable request and at the Service Recipient's expense. As promptly as practicable following the termination or expiration of this Agreement for any reason, the Service Provider will, upon request, use commercially reasonable efforts to deliver to the Service Recipient or destroy (and certify such destruction in writing if so requested by the Service Recipient), at Service Recipient's option, all Service Recipient Data; provided, however, that the Service Provider will not be required to erase or destroy Service Recipient Data included in computer files stored securely by the Service Provider that are created during automatic system backups.

(c) Notwithstanding anything herein to the contrary, and subject to Section 5.1, the Service Provider may retain copies of the Materials and the Service Recipient Data in accordance with policies and procedures implemented by the Service Provider to comply with applicable Law (including Data Protection Laws), professional standards or reasonable business practice, including document retention policies as in effect from time to time (which policies will be made available to the Service Recipient upon request).

2.6 Permits and Third-Party Consents. The Service Provider will use commercially reasonable efforts to obtain any permits, licenses, approvals or third-party consents necessary to provide the Services, the reasonable cost of which will be payable by Service Recipient to the extent such costs are incurred for the purpose of providing the Services.

2.7 No Reporting Obligations. Notwithstanding anything to the contrary contained in this Agreement or any Annex hereto, none of the Service Provider or any of its Affiliates, or any of their respective Representatives, will be obligated, pursuant to this Agreement or any Annex hereto, as part of or in connection with the Services provided hereunder, as a result of storing or maintaining any data referred to herein or in any Annex hereto, or otherwise, to prepare or deliver any notification or report to any Governmental Authority or other Person on behalf of Service Recipient or any of its Affiliates, or any of their respective Representatives.

### ARTICLE III

#### SERVICE QUALITY; INDEPENDENT CONTRACTOR

##### 3.1 Service Quality.

(a) The Service Provider will perform the Services in a manner and quality that is substantially consistent with the Party's past practice (including as to quantity) in performing the Services for the SpinCo Business or CES Business, as



applicable, and in any event in compliance with any terms or service levels set forth on the applicable Annex. The Service Recipient will use the Services in substantially the same manner and on substantially the same scale as they were used by such Party and its Affiliates in the past practice of the SpinCo Business or CES Business, as applicable, prior to the Distribution Date.

(b) Each Party acknowledges and agrees that certain of the Services to be provided under this Agreement have been, and will continue to be provided (in accordance with this Agreement and the Annexes hereto) to the CES Business or the SpinCo Business, as applicable, by third parties designated by the Party responsible for providing such Services hereunder. To the extent so provided, the Party responsible for providing such Services will use commercially reasonable efforts to (i) cause such third parties to provide such Services in accordance with this Agreement and/or (ii) enable the Party seeking the benefit of such Services and its Subsidiaries to avail itself of such Services; provided, however, that if any such third party is unable or unwilling to provide any such Services, the Parties agree to use their commercially reasonable efforts to determine the manner, if any, in which such Services can best be provided (it being acknowledged and agreed that any costs or expenses to be incurred in connection with obtaining a third party to provide any such Services will be paid by the Party to which such Services are provided; provided further that the Party responsible for providing such Services will use commercially reasonable efforts to communicate the costs or expenses expected to be incurred in advance of incurring such costs or expenses).

### 3.2 Independent Contractor; Assets; Subcontractors.

(a) The Parties are independent contractors. All employees and representatives of a Party and any of its Subsidiaries involved in providing Services will be under the exclusive direction, control and supervision of the Party or its Subsidiaries (or their subcontractors) providing such Services, and not of the Service Recipient. The Party or its Subsidiaries (or their subcontractors) providing the Services will be solely responsible for compensation of its employees, and for all withholding, employment or payroll taxes, unemployment insurance, workers' compensation, and any other insurance and fringe benefits with respect to such employees. The Party or its Subsidiaries (or their subcontractors) providing the Services will have the exclusive right to hire and fire any of its employees in accordance with applicable Law. The Service Recipient will have no right to direct and control any of the employees or representatives of the Party or its Subsidiaries (or their subcontractors) providing such Services.

(b) All procedures, methods, systems, strategies, tools, equipment, facilities, software, data and other resources used by a Party, any of its Subsidiaries or any third party service provider in connection with the provision of the Services hereunder will remain the property of such Party, its Subsidiaries or such service providers and, except as otherwise provided herein, will at all times be under the sole direction and control of such Party, its Subsidiaries or such third party service provider. Without limiting any license set forth in that certain Intellectual Property Cross License Agreement between the Parties, and that certain Trademark Cross License Agreement

between the Parties, or any other agreement between the Parties, no license under any patents, know-how, trade secrets, copyrights or other rights is granted by this Agreement or any disclosure in connection with this Agreement by either Party.

(c) The Service Provider may hire or engage one or more subcontractors to perform any or all of its obligations under this Agreement; provided that (a) the Service Provider will use the same degree of care in selecting any such subcontractor as it would if such contractor was being retained to provide similar services to the Service Provider; and (b) unless otherwise agreed by the Parties in a separate agreement with express reference to this Agreement, the Service Provider will in all cases remain primarily responsible for all of its obligations hereunder with respect to the scope of the Services, the standard for services as set forth in Article III and the content of the Services provided to the Service Recipient as if it were providing such services itself. The Service Provider may replace a subcontractor providing Services under this Agreement without the consent of the Service Recipient provided that the costs of the replacement subcontractor are not materially higher than the costs for such previous subcontractor. The Service Provider will provide notice to the Service Recipient prior to replacing or hiring new subcontractors whenever reasonably possible.

3.3 Uses of Services. The Service Provider will be required to provide the Services only to the Service Recipient and the Service Recipient's Subsidiaries in connection with the Service Recipient's operation of the SpinCo Business or CES Business, as applicable. The Service Recipient may not resell any Services to any Person whatsoever or permit the use of such Services by any Person other than in connection with (a) the operation of the SpinCo Business or CES Business, as applicable, in the ordinary course of business or (b) effecting the Separation.

3.4 Modification of Services. The Parties agree that each Service Provider may make changes from time to time in the manner of performing the applicable Service if such Service Provider is making similar changes in performing similar services for itself, its Affiliates or other third parties, if any, provided that such Service Provider furnishes to the Service Recipient substantially the same notice (in content) as such Service Provider provides to its Affiliates or third parties, if any, respecting such changes; provided further that each Service Provider may make any of the following changes without obtaining the prior consent of, and without prior notice to, the Service Recipient: (a) changes to the process of performing a particular Service that do not adversely affect the benefits to the Service Recipient in any material respect or materially increase the charge for such Service; (b) emergency changes on a temporary and short-term basis; and (c) changes to a particular Service in order to comply with applicable Law.

3.5 Right to Suspend Services. Notwithstanding anything to the contrary in this Agreement, neither Service Provider will be required to provide, and will incur no liability for not providing, all or any part of any Service to the extent: (a) the performance of such Service would require such Service Provider to violate any applicable Law, (b) a third party service provider or other third party asset used to provide any Service ceases to be, or otherwise is not, available to such Service

Provider on commercially reasonable terms, or (c) prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure; provided that (i) in the case of clauses (a) and (b), (A) only to the extent reasonably necessary for such Service Provider to address the issue raised; (B) to the extent practicable, only after such Service Provider has applied commercially reasonable efforts to reduce the amount or effect of any such restrictions; and (C) if such Service Provider has delivered written notice thereof to the Service Recipient; and (ii) in the case of clause (c), only to the extent provided in Section 8.7.

3.6 Transition of Responsibilities. Each Party agrees to use commercially reasonable efforts to reduce or eliminate its and its Subsidiaries' dependence on each Service as soon as is reasonably practicable. Each Party agrees to cooperate with the other Party to facilitate the smooth transition of the Services being provided to the Service Recipient by the Service Provider.

3.7 Disclaimer of Warranties. Except as expressly set forth in this Agreement: (i) each Party acknowledges and agrees that the other Party makes no warranties of any kind with respect to the Services or access to Systems, Facilities and Data to be provided hereunder; and (ii) each Party hereby expressly disclaims all warranties with respect to the Services or access to Systems, Facilities and Data to be provided hereunder, as further set forth immediately below.

EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE SERVICES OR ACCESS TO SYSTEMS, FACILITIES AND DATA TO BE PROVIDED UNDER THIS AGREEMENT WILL BE PROVIDED AS-IS, WHERE-IS, WITH ALL FAULTS, AND WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO ANY REPRESENTATION OR DESCRIPTION, TITLE OR ANY OTHER WARRANTY WHATSOEVER.

#### ARTICLE IV

##### FEES; PAYMENT

4.1 Fees. The Service Recipient will pay the Service Provider the Fees for the Services provided by such Service Provider under this Agreement. The Fees for the VSI Services are set forth on Annex B and the Fees for the SpinCo Services are set forth on Annex C, in each case, subject to adjustment for each Term Extension as provided in Section 6.2.

4.2 Taxes. All Fees to be paid are exclusive of any applicable taxes required by Law to be collected from the Service Recipient (including sales, use, excise or service tax, which may be assessed on the provision of any Service). If a withholding, sales, use, excise, services or similar tax is assessed on the provision of any of the Services, the Service Recipient will pay directly, or reimburse or indemnify the Service Provider for, such tax. In addition to any amounts otherwise payable hereunder, the

Service Recipient will be responsible for any and all sales, use, excise, services or similar taxes imposed on the provision of goods and services by the Service Provider to the Service Recipient (“Sales Taxes”) and will either (a) remit such Sales Taxes to the Service Provider (and the Service Provider will remit the amounts so received to the applicable Governmental Authority) or (b) provide the Service Provider with a certificate or other proof, reasonably acceptable to the Service Provider evidencing an exemption from liability for such Sales Taxes. The Parties further agree that, notwithstanding the foregoing, neither Party will be required to pay any franchise taxes, taxes based on the income of the other Party or personal property taxes on property owned or leased by a Party and used by such Party to provide Services.

4.3 Invoices and Payment. Unless otherwise specified in Annex B or Annex C, within 30 days following the end of each month during the Term (or within 30 days after receipt of a third party supplier’s invoice in the case of Services that are provided by a third party supplier), the Service Provider will submit to the Service Recipient for payment a written statement of amounts due under this Agreement for such month. The statement will set forth the Fees, in the aggregate and itemized, based on the descriptions set forth on Annex B or Annex C, as the case may be. Each statement will specify the nature of any amounts due for any Fees as set forth on Annex B or Annex C and will contain reasonably satisfactory documentation in support of such amounts as specified therein and such other supporting detail as the Service Recipient may reasonably require to validate such amounts due. All fees for Services provided by third party suppliers will be charged on a straight, pass-through basis and without mark-up of any kind.

4.4 Timing of Payment. Unless otherwise specified in Annex B or Annex C, the Service Recipient will pay all amounts due pursuant to each invoice under this Agreement no later than 30 days following the Service Recipient’s receipt of such invoice (or, in the case of Services that are provided by a third party supplier, no later than 30 days following receipt of invoice by the Service Recipient) (the “Payment Due Date”).

4.5 Non-Payment; Offsets. If either Party fails to pay the full amount of any invoice by the Payment Due Date, such failure will be considered a material default under this Agreement. In the event that the Service Provider is not paid in full under this Agreement, and has not been paid within two business days following notification for a failure to pay, such Service Provider will be entitled to offset amounts owed to the Service Recipient under the other agreements entered into between the Parties in connection with the transactions contemplated by the Separation and Distribution Agreement. The remedies provided to each Party by this Section 4.5 and by Section 6.4 will be cumulative with respect to any other applicable provisions of this Agreement. Payments made after the date they are due will bear interest at an annual rate equal to that published by *The Wall Street Journal* as its prime rate (the “Prime Rate”) plus 2.0% (compounded monthly), provided that in no event will the aggregate amount of interest accrued in relation to any overdue payment exceed 10% of the entire amount of such payment.

4.6 Payment Disputes. The Service Recipient may object to any amounts for any Service invoiced to it at any time before, at the time of, or after payment is made, provided such objection is made in writing to the Service Provider within 60 days following receipt of invoice by the Service Recipient. The Service Recipient will timely pay the disputed items in full while resolution of the dispute is pending; provided, however, that the Service Provider will pay interest at an annual rate equal to the Prime Rate plus 2.0% (compounded monthly) on any amounts it is required to return to the Service Recipient upon resolution of the dispute, provided further that in no event will the aggregate amount of interest accrued in relation to any returned payment exceed 10% of the amount of such returned payment. Payment of any amount will not constitute approval thereof. Any dispute under this Section 4.6 will be resolved in accordance with the provisions of Section 7.9.

## ARTICLE V

### CONFIDENTIALITY

5.1 Confidentiality. Each Party agrees that the specific terms and conditions of this Agreement (to the extent not otherwise publicly disclosed by the Parties in connection with the Separation and Distribution) and any information, Service Recipient Data and Materials conveyed or otherwise received by or on behalf of a Party in conjunction herewith are confidential and are subject to the terms of the confidentiality provisions set forth in Section 6.8 of the Separation and Distribution Agreement.

#### 5.2 Security.

(a) In this Section 5.2, the terms “personal data,” “personal information” and “processing” will have the same meaning ascribed to them as under applicable data protection, privacy or similar Laws in the relevant country (the “Data Protection Laws”). Notwithstanding Section 5.2(b), each party will comply with Data Protection Laws that may apply in relation to any personal data or personal information processed in connection with this Agreement (the “Protected Data”).

(b) If either Party (including its Affiliates and their employees, authorized agents and subcontractors) is given access to the other Party’s computer systems or software, premises, equipment, facilities or data (including Protected Data) (individually and collectively, “Systems, Facilities and Data”) in connection with the Services, the Party given access (the “Availed Party”) will comply with (and will cause its Affiliates, and their employees, authorized agents and subcontractors to comply with) its policies and procedures in relation to the use of and access to such systems, facilities and data (collectively, “Safety and Security Policies”) as if it were the Availed Party’s own such Systems, Facilities and Data and with all Data Protection Laws, and will not tamper with, compromise or circumvent any safety, security or audit measures employed by such other Party. Upon the written request of the other party, the Availed Party will use commercially reasonable efforts to comply with the Safety and Security Policies of the other party. The Availed Party will access and use only those Systems, Facilities and Data of the other Party for which it has been granted the right to access

and use in connection with the Services. All personnel given access to the Systems, Facilities and Data of the other Party will, upon request, execute a customary confidentiality and data access agreement in form and substance reasonably acceptable to the owner of such Systems, Facilities and Data and in accordance with Data Protection Laws.

(c) In accordance with Data Protection Laws, each Party will use commercially reasonable efforts to ensure that only those of its personnel who are specifically authorized to have access to the Systems, Facilities and Data of the other Party gain such access, and use commercially reasonable efforts to prevent unauthorized access, use, destruction, alteration or loss of such Systems, Facilities and Data (including, in each case, any information contained therein), including notifying its personnel of the restrictions set forth in this Agreement and of the Safety and Security Policies.

(d) If, at any time, the Aailed Party determines that any of its personnel or any third party has circumvented the Safety and Security Policies, that any unauthorized Aailed Party personnel or third party has accessed the Systems, Facilities and Data, or that any of its personnel or a third party has engaged in activities that lead to the unauthorized access, use, destruction, alteration or loss of, or damage to, Systems, Facilities and Data, the Aailed Party will promptly terminate any such person's access to the Systems, Facilities and Data (if the access involves personnel) and promptly notify the other Party of any such unauthorized access, use, destruction, alteration or loss of, or damage to, Systems, Facilities and Data. In addition, such other Party will have the right to deny personnel of the Aailed Party access to its Systems, Facilities and Data upon notice to the Aailed Party in the event that the other Party reasonably believes that such personnel have engaged in any of the activities set forth above in this [Section 5.2\(d\)](#) or otherwise pose a security concern. The Aailed Party will use commercially reasonable efforts to cooperate with the other Party in investigating any apparent unauthorized access, use, destruction, alteration or loss of, or damage to, such other Party's Systems, Facilities and Data.

(e) If any Systems, Facilities and Data of a Party are damaged (ordinary wear and tear excepted) due to the conduct of the Aailed Party or any of its Affiliates, or their employees, authorized agents or subcontractors, the Aailed Party will be liable to the other Party for all costs associated with such damage, to the extent such costs exceed any available insurance proceeds, in accordance with the terms of this Agreement.

## ARTICLE VI

### TERMINATION

6.1 Term. The initial term of this Agreement (the "Term") will commence on the Distribution Date and end on the earliest to occur of (a) the last date on which either Party is obligated to provide a Service pursuant to this Agreement, as specified in [Annex B](#) and [Annex C](#), (b) the date on which the provision of all Services has been

terminated by the Parties pursuant to Section 6.3 and (c) the date this Agreement is terminated pursuant to Section 6.4; provided that the end of the Term, including any Term Extension pursuant to Section 6.2, will not end later than the 24 month anniversary of the Distribution Date.

6.2 Option to Extend Term. Either Party may request an extension of the Service Term for one or more Services by providing written notice to the other at least 60 days in advance of the scheduled end date for such Service; provided that for any Services scheduled to conclude on or before the first anniversary of the date of this Agreement, such notice must be provided by October 31, 2021. Following the provision of such a notice, the Parties agree to enter into good faith negotiations regarding any proposed extensions to the Service Term and appropriate increases to pricing. Following such negotiations and upon mutual written agreement of the Parties prior to the end of the Service Term for such Service, the Parties may extend the Service Term of such Service for up to 180 days (or for such other period specified in Annex B, Annex C or otherwise agreed to by the Parties in writing with respect to such Service, but no more than 180 days), on the terms and conditions contained in this Agreement (such extension, a "Term Extension"). In the event a Term Extension for a Service would exceed the Term of this Agreement, the Term of this Agreement will be extended for the duration of the Term Extension (subject to the 24 month limitation set forth in Section 6.1).

### 6.3 Partial Termination.

(a) The Service Recipient will provide no less than ten Business Day's prior written notice (unless a shorter time is mutually agreed upon by the Parties or unless otherwise specified in Annex B or Annex C with respect to a Service) to the Service Provider of any Services that, prior to the expiration of the Service Term or Term Extension, for any reason, are no longer needed from the Service Provider, in which case this Agreement will terminate as to such Services (a "Partial Termination"). Notwithstanding the foregoing, a Partial Termination during the first 12 months after the Spin-off Date will not relieve the Service Recipient from its obligation to pay the entire amount owed for such Service for the initial 12 month period. The Parties will mutually agree as to the effective date of any Partial Termination.

(b) Subject to Section 6.3(a), in the event of any permitted termination prior to the scheduled expiration of the Service Term or of any Partial Termination hereunder, with respect to any terminated Services in which the Fee for such terminated Services is charged as a flat monthly rate, if termination occurs other than the end of the month, there will be no proration of the monthly rate. To the extent any amounts due or advances made hereunder related to costs or expenses that have been or will be incurred and that cannot be recovered by the Service Provider, such amounts due or advances made will not be prorated or reduced and the Service Provider will not be required to refund to the Service Recipient any prorated amount for such costs or expenses; and the Service Recipient will reimburse the Service Provider for (i) Service Recipient's proportional share of any third party costs or charges that are required to be paid in connection with the provision of any Services and that cannot be terminated and (ii) any third party cancellation or similar charges incurred as a result of the Service Recipient's early termination.

6.4 Termination of Entire Agreement. Subject to the provisions of Section 6.6, a Party will have the right to terminate this Agreement or effect a Partial Termination effective upon delivery of written notice to the other Party if:

(a) the other Party or such other Party's direct or indirect parent Affiliate makes an assignment for the benefit of creditors, or becomes bankrupt or insolvent, or is petitioned into bankruptcy, or takes advantage (with respect to its own property and business) of any state, federal or foreign bankruptcy or insolvency act, or if a receiver or receiver/manager is appointed for all or any substantial part of its property and business and such receiver or receiver/manager remains undischarged for a period of 30 days;

(b) the other Party materially defaults in the performance of any of its covenants or obligations contained in this Agreement and such default is not remedied within 21 days after receipt of written notice by the defaulting Party informing such Party of such default; provided, however, that the non-defaulting Party may seek a substitute third party service provider in accordance with Section 7.1(c) at the expense of the defaulting Party if such default is not remedied within five business days after receipt of written notice by the defaulting Party informing such Party of such default; or

(c) the other Party or any of such other Party's Affiliates engages in any act of gross negligence, willful misconduct, fraud or reckless disregard.

6.5 Procedures on Termination. Following any termination of this Agreement or Partial Termination, each Party will cooperate with the other Party as reasonably necessary to avoid disruption of the ordinary course of the other Party's and its Subsidiaries' businesses. Termination will not affect any right to payment for Services provided prior to termination.

6.6 Effect of Termination. Section 4.1 and Section 4.2 (in each case, with respect to Fees and Taxes attributable to periods prior to termination), Section 2.5, Section 3.2, Section 4.3, Section 4.4, Section 4.5, Section 4.6, and Section 6.5, this Section 6.6 and Article V, Article VII and Article VIII will survive any termination of this Agreement. In the event of a Partial Termination, this Agreement will remain in full force and effect with respect to the Services which have not been terminated by the Parties as provided herein. For the avoidance of doubt, the termination of this Agreement with respect to the Services provided under one Annex, but not the other Annex, will not be a termination of this Agreement.



## INDEMNIFICATION AND DISPUTE RESOLUTION

7.1 Limitation of Liability.

(a) No Party nor any of such Party's Affiliates will be liable, whether in contract, tort (including negligence and strict liability) or otherwise, for any special, indirect, punitive, incidental or consequential damages whatsoever that in any way arise out of, relate to, or are a consequence of, its performance or nonperformance hereunder, or the provision of or failure to provide any Service hereunder, including loss of profits, loss of data, diminution in value, business interruptions and claims of customers, whether or not such damages are foreseeable or any Party has been advised of the possibility or likelihood of such damages.

(b) Except for Liabilities arising out of or related to the gross negligence, willful misconduct or bad faith of the defaulting Party or in respect of negligence under Article V, in no event will a Party's cumulative aggregate liability arising under or in connection with this Agreement (or the provision of Services hereunder) exceed the amount of Fees paid or payable to such Party from the other Party pursuant to this Agreement in respect of the Service from which such Liability flows.

(c) Each Party will use commercially reasonable efforts to mitigate the Liabilities for which the other is responsible hereunder, including, among other things, engaging a third-party provider reasonable under the circumstances in the event of a material default not remedied within five business days after receipt of written notice by the defaulting Party informing such Party of such default (including in the event resulting in a termination by the non-breaching party under Section 6.4) and offsetting the reasonable expenses incurred against the fees owed to the Service Provider hereunder.

7.2 Indemnification by SpinCo. SpinCo will indemnify, defend and hold harmless each of VSI, each other member of the VSI Group and each of their respective past, present and future directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "VSI Indemnitees") for any Liabilities attributable to any third party claims asserted against them to the extent arising from or relating to: (a) any material breach of this Agreement by SpinCo (including in the event resulting in a termination by VSI under Section 6.4); (b) any gross negligence, willful misconduct, fraud or bad faith by SpinCo, the other members of the SpinCo Group, or its or their employees, suppliers or contractors, in the provision of the SpinCo Services by SpinCo, the other members of the SpinCo Group or its or their employees, suppliers or contractors pursuant to this Agreement; and (c) the provision of the VSI Services by VSI, the other members of the VSI Group or its or their employees, suppliers or contractors, except to the extent that such third party claims for Liabilities are finally determined by a court of competent jurisdiction to have arisen out of the material breach of this Agreement, gross negligence, willful misconduct or bad faith of VSI, the other members of the VSI Group or its or their employees, suppliers or contractors in providing the VSI Services.

7.3 Indemnification by VSI. VSI will indemnify, defend and hold harmless each of the SpinCo Indemnitees for any Liabilities attributable to any third party claims asserted against them to the extent arising from or relating to: (a) any material breach of this Agreement by VSI (including in the event resulting in a termination by SpinCo under Section 6.4); (b) any gross negligence, willful misconduct, fraud or bad faith by VSI, the other members of the VSI Group, or its or their employees, suppliers or contractors, in the provision of the VSI Services by VSI, the other members of the VSI Group or its or their employees, suppliers or contractors pursuant to this Agreement; and (c) the provision of the SpinCo Services by SpinCo, the other members of the SpinCo Group or its or their employees, suppliers or contractors, except to the extent that such third party claims for Liabilities are finally determined by a court of competent jurisdiction to have arisen out of the material breach of this Agreement, gross negligence, willful misconduct or bad faith of SpinCo, the other members of the SpinCo Group or its or their employees, suppliers or contractors in providing the SpinCo Services.

7.4 Exclusive Remedy. Except for equitable relief and rights pursuant to Section 4.2, Section 4.5 or Article V, the indemnification provisions of this Article VII will be the exclusive remedy for breach of this Agreement.

7.5 Risk Allocation. Each Party agrees that the Fees charged under this Agreement reflect the allocation of risk between the Parties, including the disclaimer of warranties in Section 3.7 and the limitations on liability in Section 7.1. Modifying the allocation of risk from what is stated here would affect the Fees that each Party charges, and in consideration of those Fees, each Party agrees to the stated allocation of risk.

7.6 Indemnification Procedures. All claims for indemnification pursuant to Section 4.2 or this Article VII will be made in accordance with the provisions set forth in Article IV of the Separation and Distribution Agreement. Notwithstanding anything to the contrary hereunder, neither Party may assert against the other Party or submit to mediation or legal proceedings any cause of action, dispute or claim for indemnification which accrued more than two years after the later of (a) the occurrence of the act or event giving rise to the underlying cause of action, dispute or claim and (b) the date on which such act or event was, or should have been, in the exercise of reasonable due diligence, discovered by the Party asserting the cause of action, dispute or claim.

7.7 Express Negligence. THE INDEMNITY, RELEASES AND LIMITATIONS OF LIABILITY IN THIS AGREEMENT (INCLUDING ARTICLE II AND THIS ARTICLE VII) ARE INTENDED TO BE ENFORCEABLE AGAINST THE PARTIES IN ACCORDANCE WITH THE EXPRESS TERMS AND SCOPE THEREOF NOTWITHSTANDING ANY EXPRESS NEGLIGENCE RULE OR ANY SIMILAR DIRECTIVE THAT WOULD PROHIBIT OR OTHERWISE LIMIT INDEMNITIES BECAUSE OF THE NEGLIGENCE OR GROSS NEGLIGENCE (WHETHER SOLE, JOINT OR CONCURRENT OR ACTIVE OR PASSIVE) OR OTHER FAULT OR STRICT LIABILITY OF ANY OF THE INDEMNIFIED PARTIES.

7.8 Appointment of Service Coordinators. VSI will appoint a Representative who will be its authorized representative and empowered to act on its behalf in connection with this Agreement (the “VSI Service Coordinator”), and SpinCo will appoint a Representative who will be its authorized representative and empowered to act on its behalf in connection with this Agreement (the “SpinCo Service Coordinator”, and together with the VSI Service Coordinator, the “Service Coordinators”). The Service Coordinators will have day-to-day responsibility for the provision and use of the Services. The VSI Coordinator and SpinCo Service Coordinator will be the Persons identified on Annex D. Each Party will promptly notify the other in writing in the event of any change to the appointment a Service Coordinator.

7.9 Dispute Resolution. Any Dispute arising out of or relating to this Agreement will be resolved as provided in Article VII of the Separation and Distribution Agreement; provided, however, that before commencing any Action relating to any such Disputes, the Parties will first attempt to resolve it by engaging in good faith discussions between the Service Coordinators, the functional leads and, if necessary, the Authorized Representatives.

## ARTICLE VIII

### MISCELLANEOUS

#### 8.1 Counterparts; Entire Agreement; Corporate Power; Facsimile Signatures.

(a) This Agreement may be executed in one or more counterparts (including by facsimile, PDF or other electronic transmission), all of which will be considered one and the same agreement.

(b) This Agreement, including the Annexes hereto and the sections of the Separation and Distribution Agreement referenced herein, contain the entire agreement between the Parties with respect to the subject matter hereof, and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter. Notwithstanding anything herein to the contrary, unless expressly set forth therein, in the case of any conflict between this Agreement and an Ancillary Agreement in relation to matters specifically addressed in such Ancillary Agreement, the Ancillary Agreement will control.

(c) Each Party represents and warrants to the other Party as follows:

(i) it has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and

(ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof.

8.2 Governing Law. This Agreement will be governed by and construed and interpreted in accordance with the Laws of the State of Delaware without regard to rules of conflicts of laws.

8.3 Binding Effect; Assignability. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that no Party may assign any of its rights or assign or delegate any of its obligations under this Agreement without the express prior written consent of the other Party.

8.4 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and their respective Subsidiaries, Affiliates, successors and assigns and will not be deemed to confer upon any other Person any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement. The Parties agree that each SpinCo Indemnitee and VSI Indemnitee who is not a party to this Agreement is an intended third party beneficiary of the indemnification provisions of this Agreement.

8.5 Notices. All notices, requests and other communications to any Party hereunder will be in writing and will be deemed given if delivered personally, emailed (which is confirmed) or sent by overnight courier (providing proof of delivery) to the Parties at the following addresses:

If to VSI, to:

Verint Systems Inc.  
175 Broadhollow Road  
Melville, New York 11747  
Attention: Chief Administrative Officer  
Email: peter.fante@verint.com

If to SpinCo to:

Cognyte Software Ltd.  
33 Maskit  
Herzliya Pituach 4673333  
Israel  
Attention: Ziv Levi, Chief Legal Officer  
Email: ziv.levi@cognyte.com

A Party may, by notice to the other Party, change the address to which such notices are to be given. All such notices, requests and other communications will be deemed received on the date of actual receipt by the recipient thereof if received prior to 5:00 p.m. local time in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication will be deemed not to have been received until the next succeeding business day in the place of receipt.

8.6 Severability. If any provision of this 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 the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid, void or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties will negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect, as closely as possible, the original intent of the Parties.

8.7 Force Majeure. No Party will be deemed in default of this Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. In the event of any such excused delay, the time for performance of such obligations (other than a payment obligation) will be extended for a period equal to the time lost by reason of the delay. A Party claiming the benefit of this provision will, as soon as reasonably practicable after the occurrence of any such event, (a) provide written notice to the other Party of the nature and extent of any such Force Majeure condition and (b) use commercially reasonable efforts to remove any such causes and resume performance under this Agreement as soon as reasonably practicable.

8.8 Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

8.9 Waivers of Default; Remedies Cumulative. Waiver by a Party of any default by another Party of any provision of this Agreement will not be deemed a waiver by the waiving Party of any subsequent or other default, nor will it prejudice the rights of another Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

8.10 Amendments. No provisions of this Agreement may be waived, amended, supplemented or modified, 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.

8.11 Interpretation. In this Agreement (a) words in the singular will be deemed to include the plural and vice versa and words of one gender will be deemed to include the other genders as the context requires; (b) the terms "hereof," "herein," and "herewith" and words of similar import will, unless otherwise stated, be construed to

refer to this Agreement as a whole (including all of the Annexes hereto) and not to any particular provision of this Agreement; (c) Annex, Article, Section, Schedule and Exhibit references are to the Annexes, Articles, Sections, Schedules and Exhibits to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement (including this Agreement) will be deemed to include the exhibits, schedules and annexes to such agreement; (e) references to “\$” will mean U.S. dollars; (f) the word “including” and words of similar import when used in this Agreement will mean “including, without limitation,” unless otherwise specified; (g) the word “or” will not be exclusive; (h) unless otherwise specified in a particular case, the word “days” refers to calendar days; (i) references to “written” or “in writing” include in electronic form; (j) references to “business day” will mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or Israel, as the context requires; (k) references herein to this Agreement or any other agreement contemplated herein will be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (l) unless expressly stated to the contrary in this Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import will all be references to the date set forth in the Preamble.

8.12 Performance. VSI will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the VSI Group. SpinCo will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the SpinCo Group.

8.13 Mutual Drafting. This Agreement will be deemed to be the joint work product of the Parties, and any rule of construction that a document will be interpreted or construed against a drafter of such document will not be applicable.

*[Signatures on Following Page]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

VERINT SYSTEMS INC.

By: /s/ Douglas E. Robinson

Name: Douglas E. Robinson

Title: Chief Financial Officer

COGNYTE SOFTWARE LTD.

By: /s/ David Abadi

Name: David Abadi

Title: Chief Financial Officer

*[Signature Page to Transition Services Agreement]*

**INTELLECTUAL PROPERTY CROSS LICENSE AGREEMENT**

This INTELLECTUAL PROPERTY CROSS LICENSE AGREEMENT (the “**Agreement**”) has been entered into as of February 1, 2021 (the “**Effective Date**”) by and between Verint Systems Inc. (“**VSI**”), a Delaware corporation having an office at 175 Broadhollow Road, Melville, New York 11747 USA and Cognyte Software Ltd. (“**SpinCo**”), an Israeli corporation having an office at 33 Maskit, Herzliya Pituach 4673333 Israel. VSI and SpinCo may also be referred to individually as a “**Party**” or collectively as “**Parties**”.

**RECITALS**

WHEREAS, VSI and SpinCo have entered into this Agreement, and this Agreement will become effective, immediately prior to that certain Separation and Distribution Agreement dated as of February 1, 2021 (the “**SDA**”);

WHEREAS, in connection with the transactions contemplated by the SDA, VSI will license to SpinCo certain intellectual property rights that both VSI and SpinCo use in their respective businesses on the Effective Date, in accordance with the terms and restrictions set forth in this Agreement; and

WHEREAS, in connection with the transactions contemplated by the SDA, SpinCo will license to VSI certain intellectual property rights that both VSI and SpinCo use in their respective businesses on the Effective Date, in accordance with the terms and restrictions set forth in this Agreement.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement and the SDA, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

**1. DEFINITIONS**

Unless otherwise defined below or in this Agreement, any capitalized term used in this Agreement shall have the meaning given to it in the SDA. In this Agreement:

1.1 “Cognyte Ltd.” means Cognyte Technologies Israel Ltd.

1.2 “Confidential Information” means: (a) any information or materials that a Party discloses to the other Party in connection with this Agreement and that is designated by the disclosing Party as confidential or proprietary at the time of disclosure; or (b) any other information or materials disclosed by a Party to the other Party in connection with this Agreement that should reasonably be understood to be confidential by the receiving Party at the time of the disclosure. “Confidential Information” includes the VSI Licensed IP or the SpinCo Licensed IP that is confidential.

1.3 “Controlled” means, with respect to any particular Intellectual Property, having the power and authority, whether arising by ownership, license, or other



authorization, to grant and authorize under such Intellectual Property the license of the scope granted to the other Party under this Agreement without (i) requiring payment of any royalty or other amounts to a third party, and/or (ii) giving rise to any violation of the terms of any written agreement between the granting Party and any third party existing at the time such license first comes into effect hereunder.

1.4 “Funded Companies” means Verint CES and Cognyte Ltd.

1.5 “IIA” means the Israel Innovation Authority.

1.6 “IIA Funded Technology” means, a technology that was developed by a Funded Company, with funding provided by the IIA. The IIA Funded Technology developed by Cognyte Ltd. is listed on **Schedule 1.6(a)** hereto and the IIA Funded Technology developed by Verint CES is listed on **Schedule 1.6(b)** hereto.

1.7 “Limited Use” means to use, practice, reproduce, distribute, perform, display, exploit, make, have made, sell, offer for sale, have sold, import, and supply Intellectual Property, and to commercialize and market products and services thereunder. Notwithstanding anything to the contrary in this Agreement, the term “Limited Use” expressly excludes preparation of modifications, derivative works or improvements, or any other form of research and development, of or on Intellectual Property.

1.8 “Intellectual Property” means all of the following whether arising under the Laws of the United States or of any foreign or multinational jurisdiction: (a) patents, patent applications (including patents issued thereon) and statutory invention registrations, including reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions (“Patents”), (b) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (c) Trade Secrets, and (d) all industrial property rights (other than trademark, service mark, trade dress and other indicators of origin). As used in this Agreement, the term “Intellectual Property” expressly excludes Trademarks.

1.9 “SpinCo Business” means the SpinCo Business as defined in the SDA.

1.10 “SpinCo IP” means Intellectual Property (except for Patents) that is Controlled by SpinCo as of the Effective Date, after giving effect to the SDA.

1.11 “SpinCo Patents” means (i) Patents that are Controlled by SpinCo as of the Effective Date, after giving effect to the SDA, or (ii) a Patent obtained or acquired after the Effective Date that claims priority to the Patents in subsection (i).

1.12 “Trademarks” means all trademarks, service marks, logos, trade dress, trade names, domain names indicating the source of goods or services, and other indicia of commercial source or origin (whether registered, common law, statutory or otherwise), all registrations and applications to register and renewals of the foregoing anywhere in the world and all goodwill associated therewith.

1.13 “Trade Secrets” means confidential and proprietary information, including rights relating to know-how or trade secrets, including ideas, concepts, methods, models, techniques, inventions (whether patentable or unpatentable) and other works, whether or not developed or reduced to practice, customer, vendor and prospect lists and all associated information or databases, and other confidential or proprietary information.

1.14 “Use” or “Using” means to use, practice, reproduce, distribute, perform, display, exploit, make, have made, sell, offer for sale, have sold, import, supply, to prepare modifications, derivative works or improvements based upon the Intellectual Property, and to commercialize and market products and services thereunder.

1.15 “Used in the SpinCo Business” means Used (as defined above) in the SpinCo Business (including products or services under active development) as of the Effective Date as established by written records of SpinCo or VSI with respect to the SpinCo Business as of the Effective Date.

1.16 “Used in the VSI Business” means Used (as defined above) in the VSI Business (including products or services under active development) as of the Effective Date as established by written records of VSI or SpinCo with respect to the VSI Business as of the Effective Date.

1.17 “Verint CES” means Verint CES Ltd.

1.18 “VSI Business” means the CES Business as defined in the SDA.

1.19 “VSI IP” means Intellectual Property (except for Patents) that is Controlled by VSI as of the Effective Date, after giving effect to the SDA.

1.20 “VSI Patents” means (i) Patents that are Controlled by VSI as of the Effective Date, after giving effect to the SDA, or (ii) a Patent obtained or acquired after the Effective Date that claims priority to the Patents in subsection (i).

## 2. LICENSE GRANT FROM VSI TO SPINCO

2.1 License Grant. With respect to any VSI IP or VSI Patents that are Used in the SpinCo Business as of the Effective Date:

(a) VSI and its Affiliates hereby grant to SpinCo a non-exclusive, perpetual, irrevocable (except as provided herein), royalty-free, non-transferable, and non-sublicensable (except as permitted by Section 2.2) license to Use such VSI IP and VSI Patents solely within the SpinCo Business as it existed on the Effective Date, but also including any new product versions or new products that are developed internally by SpinCo or its Affiliates after the Effective Date which are within the scope of the SpinCo Business as it existed on the Effective Date.

(b) If after the Effective Date, SpinCo acquires any Person, the products and services of such Person that are in existence as of the date of such acquisition (“SpinCo Acquisition Date”) shall be covered under the license provided by Section 2.1(a) from and after the SpinCo Acquisition Date, solely to the extent that such products and services are within the scope of the SpinCo Business as it existed on the Effective Date.

(c) If SpinCo undergoes a change in control with a third party or if all or substantially all of the equity or assets of SpinCo are sold, assigned, conveyed or otherwise transferred (in any manner by one transaction or a set of related transactions), including by operation of law, then the license granted under Section 2.1(a) shall terminate in its entirety as of the effective date of the transaction.

(d) If SpinCo sells, assigns or otherwise transfers (in any manner by one transaction or a set of related transactions), including by operation of law, to a third party a product line, a line of business, or a business unit, then the license granted under Section 2.1(a) shall be transferrable with respect to such product line, line of business, or business unit (as applicable), but shall not apply to any other products, product line, line of business, or business unit of the third party.

## 2.2 Sublicense Rights.

(a) SpinCo may sublicense any or all of the rights granted to SpinCo pursuant to Sections 2.1 and/or 2.2(b) to SpinCo’s Affiliates. Any sublicenses granted to SpinCo Affiliates shall be and remain subject to all of the restrictions, limitations, and obligations set forth in this Agreement, including, without limitation:

(i) If a SpinCo Affiliate receives a sublicense of the rights granted to SpinCo under Section 2.1, the requirements and limitations in Section 2.1(c) shall apply to such SpinCo Affiliate in the following events: (1) if such SpinCo Affiliate undergoes a change in control with a third party, or (2) if all or substantially all of the equity or assets of such SpinCo Affiliate are sold, assigned, conveyed or otherwise transferred (in any manner by one transaction or a set of related transactions), including by operation of law.

(ii) If a SpinCo Affiliate receives a sublicense of the rights granted to SpinCo under Section 2.1, the requirements and limitations in Section 2.1(d) shall apply to such SpinCo Affiliate in the event such SpinCo Affiliate sells, assigns or otherwise transfers (in any manner by one transaction or a set of related transactions), including by operation of law, to a third party a product line, a line of business or a business unit.

(b) SpinCo may grant sublicenses on customary terms (including restrictions on use and disclosure at least as restrictive as those set forth herein) of the rights granted under Sections 2.1 subject to the limitations of the rights granted under Sections 2.1, to their customers, distributors, resellers and/or end-users in connection with any products or services provided by SpinCo solely for the purpose of permitting such customers, distributors, resellers and/or end-users to distribute or use such products or services in the ordinary course of business.

2.3 Other Licenses. For the avoidance of doubt, the foregoing license grants shall be in addition to any licenses that may be granted under the other Ancillary Agreements or a separate commercial arrangement that may be entered into by the Parties.

### 3. LICENSE GRANT FROM SPINCO TO VSI

3.1 License Grant. With respect to any SpinCo IP or SpinCo Patents that are Used in the VSI Business as of the Effective Date:

- (a) SpinCo and its Affiliates hereby grant to VSI and its Affiliates a non-exclusive, perpetual, irrevocable (except as provided herein), royalty-free, non-transferable, and non-sublicensable (except as permitted by Section 3.2) license to Use such SpinCo IP and SpinCo Patents solely within the VSI Business as it existed on the Effective Date, but also including any new product versions or new products that are developed internally by VSI or its Affiliates after the Effective Date which are within the scope of the VSI Business as it existed on the Effective Date.
- (b) If after the Effective Date, VSI acquires any Person, the products and services of such Person that are in existence as of the date of such acquisition (“VSI Acquisition Date”) shall be covered under the license provided by Section 3.1(a) from and after the VSI Acquisition Date, solely to the extent that such products and services are within the scope of the VSI Business as it existed on the Effective Date.
- (c) If VSI undergoes a change in control with a third party or if all or substantially all of the equity or assets of VSI are sold, assigned, conveyed or otherwise transferred (in any manner by one transaction or a set of related transactions), including by operation of law, then the license granted under Section 3.1(a) shall terminate in its entirety as of the effective date of the transaction.
- (d) If VSI or an Affiliate of VSI sells, assigns or otherwise transfers (in any manner by one transaction or a set of related transactions), including by operation of law, to a third party a product line, a line of business, or a business unit, then the license granted under Section 3.1(a) shall be

transferrable with respect to such product line, line of business, or business unit (as applicable), but shall not apply to any other products, product line, line of business, or business unit of the third party.

3.2 Sublicense Rights. VSI and its Affiliates may grant sublicenses on customary terms (including restrictions on use and disclosure at least as restrictive as those set forth herein) of the rights granted under Sections 3.1, subject to the limitations of the rights granted under Sections 3.1, to their customers, distributors, resellers and/or end-users in connection with any products or services provided by VSI or its Affiliates solely for the purpose of permitting such customers, distributors, resellers and/or end-users to distribute or use such products or services in the ordinary course of business.

3.3 Other Licenses. For the avoidance of doubt, the foregoing license grants shall be in addition to any licenses that may be granted under the other Ancillary Agreements or a separate commercial arrangement that may be entered into by the Parties.

#### **4. LICENSE OF IIA FUNDED TECHNOLOGY**

4.1 License of IIA Funded Technology. Notwithstanding the provisions of Sections 2 and 3, with respect to any IIA Funded Technology, unless otherwise provided in Section 4.2, the licenses granted under Section 2 and Section 3 are for Limited Use rather than for Use.

4.2 Option for Development License. In the event that either Party determines that it has a bona fide business need to Use (rather than being restricted to Limited Use) IIA Funded Technology of the other Party that is licensed for Limited Use hereunder, then upon provision of a written request to such effect, the Funded Companies shall jointly approach the IIA to seek approval for the expansion of the license provided hereunder from a Limited Use license to a Use license and agree to cooperate and use their respective commercially reasonable efforts to obtain the approval of the IIA, including the execution of all customary documents that may be required by the IIA in connection with granting such approval. From and after the receipt of such approval from the IIA, the license granted under Section 2 or Section 3 (as applicable) with respect to the IIA Funded Technology that is covered by such IIA approval will automatically be a Use license, but subject to any limitations imposed by such IIA approval (including any limitations the IIA may impose on which Affiliates of the Parties the right to Use may extend to), without further action of the Parties. A Party that wishes to expand the license pursuant to this Section 4.2, shall be liable for any and all costs and expenses in relation thereto, including any payments to the IIA in connection with such Use license.

#### **5. RESTRICTIONS AND CONFIDENTIALITY**

5.1 Restrictions on SpinCo. SpinCo and its Affiliates shall not directly or indirectly: (a) participate in any standards-setting or similar organization that would require the VSI IP or VSI Patents to be licensed, disclosed or distributed to any third party;

(b) use the VSI IP in conjunction with any open source software in any manner that would require the VSI IP to be disclosed or distributed in source code form to any third party; or (c) disclose any of the information or materials contained in the VSI IP to any third party without the prior written consent of VSI, other than to SpinCo's personnel who have a business need-to-know, provided such personnel are themselves bound by written confidentiality agreements with restrictions at least as restrictive as those set forth in this Section 5.

5.2 Restrictions on VSI. VSI and its Affiliates shall not directly or indirectly: (a) participate in any standards-setting or similar organization that would require the SpinCo IP or SpinCo Patents to be licensed, disclosed or distributed to any third party; (b) use the SpinCo IP in conjunction with any open source software in any manner that would require the SpinCo IP to be disclosed or distributed in source code form to any third party; or (c) disclose any of the information or materials contained in the SpinCo IP to any third party without the prior written consent of SpinCo, other than to VSI's personnel who have a business need-to-know, provided such personnel are themselves bound by written confidentiality agreements with restrictions at least as restrictive as those set forth in this Section 5.

5.3 Confidentiality. The Party that receives, pursuant to this Agreement, any Confidential Information ("Receiving Party") of the other Party ("Disclosing Party") shall keep all such Confidential Information in Receiving Party's possession or reasonable control confidential and shall not disclose any such Confidential Information to any third party without the prior written consent of the Disclosing Party, other than the Receiving Party's representatives who have a business need-to-know such Confidential Information. The Receiving Party shall exercise at least the same degree of care to safeguard the confidentiality of the Disclosing Party's Confidential Information as it does to safeguard its own proprietary or confidential information of equal importance, but not less than a reasonable degree of care. The Receiving Party shall ensure, by instruction, contract, or otherwise with its representatives that such representatives comply with the provisions of this Section 5.3. The Receiving Party shall promptly notify the Disclosing Party in the event that the Receiving Party learns of any unauthorized use or disclosure of such Confidential Information by it or its representatives, and shall promptly take all actions necessary to correct and prevent such use or disclosure.

5.4 Exclusions. The confidentiality obligations in Section 5.3 shall not apply to any Confidential Information which: (a) is or becomes generally available to and known by the public (other than as a result of a non-permitted disclosure or other wrongful act directly or indirectly by the Receiving Party); (b) is or becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party, provided that the Receiving Party has no knowledge that such source was at the time of disclosure to the Receiving Party was bound by a confidentiality agreement with, or other obligation of secrecy to, the Disclosing Party which was breached by the disclosure; (c) has been or is hereafter independently acquired or developed by the Receiving Party without reference to such Confidential Information and without otherwise violating any confidentiality agreement with, or other obligation of secrecy to, the Disclosing Party; (d) was in the possession of the Receiving Party at the time of disclosure by the Disclosing

Party without restriction as to confidentiality; or (e) is requested or required to be disclosed to a regulatory authority, provided that the Receiving Party promptly notifies, to the extent practicable, the Disclosing Party in writing of such request or demand for disclosure so that the Disclosing Party, at its sole expense, may seek to make such disclosure subject to an appropriate remedy to preserve the confidentiality of the Confidential Information.

## 6. TERM AND TERMINATION

6.1 Term. This Agreement and all rights and licenses granted hereunder shall commence on the Effective Date and shall continue until terminated by either Party in accordance with this Section 5.

### 6.2 Termination Rights.

(a) Termination by Mutual Agreement. At any time, for any reason whatsoever, this Agreement may be terminated effective immediately upon the Parties' mutual agreement.

(b) Termination for Breach. Either Party may terminate this Agreement if the other Party materially breaches this Agreement and fails to cure such breach within thirty (30) days after receipt of written notice thereof. If such breach is incurable, termination shall be effective immediately upon written notice to the breaching party.

(c) Termination for Bankruptcy/Insolvency. Either Party may, upon written notice to the other Party, immediately terminate this Agreement in the event the other Party files a voluntary petition under the United States Bankruptcy Code or the insolvency laws of any state or any other jurisdiction; or has an involuntary petition filed against it under the United States Bankruptcy Code, is the subject of a similar filing under the bankruptcy or insolvency laws of any other jurisdiction, or a receiver is appointed for its business, unless such petition or appointment of a receiver is dismissed within sixty (60) days.

### 6.3 Effect of Termination.

(a) In the event of termination of this Agreement pursuant to Section 6.2:

(i) any sublicenses granted by SpinCo or its Affiliates to customers, distributors, resellers and/or end-users pursuant to Section 2.2 shall remain in effect in accordance with the terms of any agreement then in place between SpinCo or its Affiliates, and such customers, distributors, resellers and/or end-users, as applicable, for the duration of the then-current term of such agreement; and

(ii) any sublicenses granted by VSI or its Affiliates to customers, distributors, resellers and/or end-users pursuant to Section 3.2 shall remain in effect in accordance with the terms of any agreement then

in place between VSI or its Affiliates, and such customers, distributors, resellers and/or end-users, as applicable, for the duration of the then-current term of such agreement.

(b) In the event of termination of this Agreement pursuant to Section 6.2(b) or Section 6.2(c), subject to 6.3(a), the licenses granted by the non-breaching Party (in the case of termination pursuant to Section 6.2(b)) or the non-bankrupt/insolvent Party (in the case of termination pursuant to Section 6.2(c)) shall immediately terminate and any and all rights granted pursuant to this Agreement to Use the Intellectual Property of the non-breaching Party (in the case of termination pursuant to Section 6.2(b)) or the non-bankrupt/insolvent Party (in the case of termination pursuant to Section 6.2(c)) shall cease and terminate. Further, the licenses and rights granted by the breaching Party to the non-breaching Party (in the case of termination pursuant to Section 6.2(b)) or granted by the bankrupt/insolvent Party to the non-bankrupt/insolvent Party (in the case of termination pursuant to Section 6.2(c)) shall survive such termination, but remain subject to the limitations and restrictions expressly set forth in this Agreement.

## **7. INDEMNIFICATION; ASSUMPTION OF RISK**

7.1 Indemnification by SpinCo. SpinCo shall fully indemnify and hold harmless VSI and its Affiliates and their respective directors, officers, employees and agents (the “VSI Indemnified Parties”) from and against any and all losses, damages, liabilities, costs (including reasonable attorneys’ fees) and expenses (collectively, “Damages”) incurred by any such VSI Indemnified Party based on any third party claim (a) arising out of or relating to SpinCo’s breach of this Agreement, or (b) alleging that any VSI Indemnified Party is responsible for any action by any SpinCo Indemnified Party (as defined in Section 7.2) by reason of such SpinCo Indemnified Party’s Use of the VSI IP or VSI Patents, solely to the extent such claim arises out of such Use.

7.2 Indemnification by VSI. VSI shall fully indemnify and hold harmless SpinCo and its Affiliates and their respective directors, officers, employees and agents (the “SpinCo Indemnified Parties”) from and against any and all Damages incurred by any such VSI Indemnified Party based on any third party claim (a) arising out of or relating to VSI’s breach of this Agreement, or (b) alleging that any SpinCo Indemnified Party is responsible for any action by any VSI Indemnified Party by reason of such VSI Indemnified Party’s Use of the SpinCo IP or SpinCo Patents, solely to the extent such claim arises out of such Use.

7.3 Indemnity Procedures. Any indemnified Party submitting an indemnity claim under Section 7.1 or 7.2, as applicable (“Indemnified Party”), shall: (a) promptly notify the indemnifying Party under Section 7.1 or 7.2, as applicable (“Indemnifying Party”), of such claim in writing and furnish the Indemnifying Party with a copy of each communication, notice or other action relating to the event for which indemnity is sought; provided that no failure to provide such notice pursuant to this Section shall relieve the



Indemnifying Party of its indemnification obligations, except to the extent such failure materially prejudices the Indemnifying Party's ability to defend or settle the claim; (b) give the Indemnifying Party the authority, information and assistance necessary to defend or settle such suit or proceeding in such a manner as the Indemnifying Party shall determine; and (c) give the Indemnifying Party sole control of the defense (including the right to select counsel, at the Indemnifying Party's expense) and the sole right to compromise and settle such suit or proceeding; provided that the Indemnifying Party shall not, without the written consent of the Indemnified Party, compromise or settle any suit or proceeding unless such compromise or settlement (i) is solely for monetary damages (for which the Indemnifying Party shall be responsible), (ii) does not impose injunctive or other equitable relief against the Indemnified Party, (iii) includes an unconditional release of the Indemnified Party from all liability on claims that are the subject matter of such proceeding, and (iv) does not require the Indemnified Party to perform or refrain from performing any action. Notwithstanding anything in this Section 7.3, with respect to any claim covered by Section 7.1 or 7.2, as applicable, the Indemnified Party (in its capacity as such) may participate in the defense at its own expense.

7.4 Consequential Damages. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF THE OTHER PARTY IN CONNECTION WITH THIS AGREEMENT, EXCEPT IN CONNECTION WITH A BREACH OF SECTION 5, IT BEING UNDERSTOOD THAT A PARTY'S BREACH OF ITS INDEMNITY OBLIGATIONS HEREUNDER SHALL BE DIRECT DAMAGES REGARDLESS OF WHETHER THE DAMAGES CLAIM FOR WHICH INDEMNITY IS SOUGHT IS CHARACTERIZED AS SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL.

## 8. MISCELLANEOUS

8.1 Reservation. All rights not expressly granted by a Party hereunder are reserved by such Party. Nothing contained herein shall be construed or interpreted as a grant, by implication or otherwise, of any licenses other than the licenses expressly set forth in Sections 2 and 3.

8.2 Section 365(n). (a) All rights and licenses granted under or pursuant to this Agreement are, and will otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(35A) of the U.S. Bankruptcy Code and all intellectual property, proprietary information, and other materials licensed under this Agreement are, and shall be deemed to be, "embodiment(s)" of "intellectual property" for purposes of same; (b) the parties will retain and may fully exercise all of their respective rights and elections under the U.S. Bankruptcy Code; (c) the parties agree that each party, as a licensee of such rights under this Agreement, will retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code, and that upon commencement of a bankruptcy proceeding by or against the other party as licensor under the U.S. Bankruptcy Code, each party as a licensee will be entitled to a complete duplicate of or complete access to (as the licensee-party deems appropriate), any such intellectual property and all embodiments of such intellectual property; and (d) such intellectual property and all embodiments thereof will

be promptly delivered to the licensee-party (i) upon any such commencement of a bankruptcy proceeding upon written request therefor by the licensee-party, unless the licensor-party elects to continue to perform all of its obligations under this Agreement or (ii) if not delivered under (i) above, upon the rejection of this Agreement by or on behalf of the licensor-party upon written request therefor by the licensee party. The foregoing is without prejudice to any rights a licensee-party may have arising under the U.S. Bankruptcy Code or other applicable Law. In the event either Party, or any of their respective Affiliates, is the subject of proceedings under the bankruptcy or insolvency laws of any jurisdiction other than the United States, all of the rights and licenses granted under or pursuant to this Agreement shall be characterized, to the greatest extent possible under the laws of such jurisdiction, as necessary to preserve the benefits, rights, and licenses granted to the licensee-party as set forth in this Agreement.

8.3 Counterparts; Entire Agreement; Corporate Power

- (a) This Agreement may be executed in one or more counterparts (including by facsimile, PDF or other electronic transmission), all of which will be considered one and the same agreement.
- (b) This Agreement, including the annexes hereto, contain the entire agreement between the Parties with respect to the subject matter hereof, and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter.
- (c) Each Party represents and warrants to the other Party as follows:
  - (i) it has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and
  - (ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof.

8.4 Governing Law. This Agreement will be governed by and construed and interpreted in accordance with the Laws of the State of Delaware without regard to rules of conflicts of laws.

8.5 Binding Effect; Assignability. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that no Party may assign any of its rights or assign or delegate any of its obligations under this Agreement without the express prior written consent of the other Party.

8.6 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and their respective Subsidiaries, Affiliates, successors and assigns and will not

be deemed to confer upon any other Person any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement. The Parties agree that each SpinCo Indemnified Party and VSI Indemnified Party who is not a party to this Agreement is an intended third party beneficiary of the indemnification provisions of this Agreement.

8.7 Notices. All notices, requests and other communications to any Party hereunder will be in writing and will be deemed given if delivered personally, emailed (which is confirmed) or sent by overnight courier (providing proof of delivery) to the Parties at the following addresses:

If to VSI, to:

Verint Systems Inc.  
175 Broadhollow Road  
Melville, New York 11747  
Attention: Chief Administrative Officer  
Email: peter.fante@verint.com

If to SpinCo to:

Cognyte Software Ltd  
33 Maskit  
Herzliya Pituach 4673333  
Israel  
Attention: Ziv Levi, Chief Legal Officer  
Email: ziv.levi@cognyte.com

A Party may, by notice to the other Party, change the address to which such notices are to be given. All such notices, requests and other communications will be deemed received on the date of actual receipt by the recipient thereof if received prior to 5:00 p.m. local time in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication will be deemed not to have been received until the next succeeding business day in the place of receipt.

8.8 Severability. If any provision of this 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 the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid, void or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties will negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect, as closely as possible, the original intent of the Parties.

8.9 Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

8.10 Waivers of Default; Remedies Cumulative. Waiver by a Party of any default by another Party of any provision of this Agreement will not be deemed a waiver by the waiving Party of any subsequent or other default, nor will it prejudice the rights of another Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

8.11 Amendments. No provisions of this Agreement may be waived, amended, supplemented or modified, 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.

8.12 Interpretation. In this Agreement (a) words in the singular will be deemed to include the plural and vice versa and words of one gender will be deemed to include the other genders as the context requires; (b) the terms “hereof,” “herein,” and “herewith” and words of similar import will, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Annexes hereto) and not to any particular provision of this Agreement; (c) Annex, Article, Section, Schedule and Exhibit references are to the Annexes, Articles, Sections, Schedules and Exhibits to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement (including this Agreement) will be deemed to include the exhibits, schedules and annexes to such agreement; (e) references to “\$” will mean U.S. dollars; (f) the word “including” and words of similar import when used in this Agreement will mean “including, without limitation,” unless otherwise specified; (g) the word “or” will not be exclusive; (h) unless otherwise specified in a particular case, the word “days” refers to calendar days; (i) references to “written” or “in writing” include in electronic form; (j) references to “business day” will mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or Israel, as the context requires; (k) references herein to this Agreement or any other agreement contemplated herein will be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (l) unless expressly stated to the contrary in this Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import will all be references to the date set forth in the Preamble.

8.13 Mutual Drafting. This Agreement will be deemed to be the joint work product of the Parties, and any rule of construction that a document will be interpreted or construed against a drafter of such document will not be applicable.

*[Signatures on Following Page]*

The Parties hereby execute this Agreement as of the Effective Date.

Verint Systems Inc.

By: /s/ Douglas E. Robinson  
Name: Douglas E. Robinson  
Title: Chief Financial Officer

Cognyte Software Ltd.

By: /s/ David Abadi  
Name: David Abadi  
Title: Chief Financial Officer

**Agreed, Acknowledged, and Accepted:**

Verint CES Ltd.

By: /s/ Zwicka Ben-Zion  
Name: Zwicka Ben-Zion  
Title: Director

Cognyte Technologies Israel Ltd.

By: /s/ Ziv Levi  
Name: Ziv Levi  
Title: Vice President, General Counsel

*Signature Page to Intellectual Property Cross License Agreement*

**TRADEMARK CROSS LICENSE AGREEMENT**

This TRADEMARK CROSS LICENSE AGREEMENT (the “**Agreement**”) has been entered into as of February 1, 2021 (the “**Effective Date**”) by and between Verint Systems Inc. (“**VSI**”), a Delaware corporation and Cognyte Software Ltd. (“**SpinCo**”), an Israeli corporation. VSI and SpinCo may also be referred to individually as a “**Party**” or collectively as “**Parties**”.

**RECITALS**

WHEREAS, VSI and SpinCo have entered into this Agreement, and this Agreement will become effective, immediately prior to that certain Separation and Distribution Agreement dated as of February 1, 2021 (the “**SDA**”);

WHEREAS, in connection with the transactions contemplated by the SDA, VSI will grant to SpinCo a license to use certain trademarks, in accordance with the terms and restrictions set forth in this Agreement; and

WHEREAS, in connection with the transactions contemplated by the SDA, SpinCo will grant to VSI a license to use certain trademarks, in accordance with the terms and restrictions set forth in this Agreement.

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement and the SDA, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

**1. DEFINITIONS**

Unless otherwise defined below or in this Agreement, any capitalized term used in this Agreement shall have the meaning given to it in the SDA. In this Agreement:

1.1 “Controlled” means, with respect to any particular Trademark, having the power and authority, whether arising by ownership, license, or other authorization, to grant and authorize under such Trademark the license of the scope granted to the other Party under this Agreement without (i) requiring payment of any royalty or other amounts to a third party, and/or (ii) giving rise to any violation of the terms of any written agreement between the granting Party and any third party existing at the time such license first comes into effect hereunder.

1.2 “SpinCo Other Marks” means the Trademarks that are Controlled by SpinCo as of the Effective Date, after giving effect to the SDA, except for the SpinCo Transition Marks.

1.3 “SpinCo Transition Marks” means the “Actionable Intelligence” Trademarks identified on Exhibit A.

1.4 “Trademarks” means all trademarks, service marks, logos, trade dress, trade names, domain names indicating the source of goods or services, and other indicia of commercial source or origin (whether registered, common law, statutory or otherwise), all registrations and applications to register and renewals of the foregoing anywhere in the world and all goodwill associated therewith.

1.5 “Use” means to use a certain Trademark, alone and in such combinations with other words, phrases, and logos that are in use in the ordinary conduct of a business.

1.6 “Used in the SpinCo Business” means Used in the SpinCo Business as of the Effective Date.

1.7 “Used in the VSI Business” means Used in the CES Business as of the Effective Date.

1.8 “VSI Other Marks” means the Trademarks that are Controlled by VSI as of the Effective Date, after giving effect to the SDA, except for the VSI Transition Marks.

1.9 “VSI Transition Marks” means the “Verint” and “Suntech Grupo Verint” Trademarks identified on Exhibit B.

## 2. LICENSE GRANT FROM VSI TO SPINCO

### 2.1 License Grant.

(a) VSI and its Affiliates hereby grant to SpinCo a non-exclusive, worldwide, non-transferable, sublicensable (as provided herein), royalty-free, and fully paid-up license to Use the VSI Transition Marks during the Term solely (i) as Used in the SpinCo Business, and/or (ii) for purposes of transitioning SpinCo to a separate business, independent of VSI, including transitioning promotional and marketing activities, stationery, business cards, or other general office, marketing, or similar items, provided that any such Use permitted by this Section 2.1(a) shall be in strict accordance with VSI’s trademark and branding policies in effect as of the Effective Date.

(b) VSI and its Affiliates hereby grant to SpinCo a non-exclusive, worldwide, non-transferable, sublicensable (as provided herein), royalty-free, and fully paid-up license to Use the VSI Other Marks during the Term solely for purposes of transitioning SpinCo to a separate business, independent of VSI, including transitioning promotional and marketing activities, stationery, business cards, or other general office, marketing, or similar items, provided that any such Use permitted by this Section 2.1(b) shall be in strict accordance with VSI’s trademark and branding policies and practices in effect as of the Effective Date.

(c) For the avoidance of doubt, the foregoing license grants shall be in addition to any licenses that may be granted under the other Ancillary Agreements or a separate commercial arrangement that may be entered into by the Parties.

## 2.2 Sublicenses.

- (a) SpinCo may sublicense any or all of the rights granted to SpinCo pursuant to Sections 2.1 and 2.2(b) to SpinCo's Affiliates. Any sublicenses granted to SpinCo Affiliates shall be and remain subject to all of the restrictions, limitations, and obligations set forth in this Agreement.
- (b) SpinCo may grant sublicenses on customary terms of the rights granted under Section 2.1, subject to the limitations of the rights granted under Section 2.1, to its customers, distributors, resellers and/or end-users in connection with any products or services provided by SpinCo solely for the purpose of permitting such customers, distributors, resellers and/or end-users to resell, distribute or use such products or services in the ordinary course of business.

## 3. **LICENSE GRANT FROM SPINCO TO VSI**

### 3.1 License Grant.

- (a) SpinCo and its Affiliates hereby grant to VSI and its Affiliates a non-exclusive, worldwide, non-transferable, sublicensable (as provided herein), royalty-free, and fully paid-up license to Use the SpinCo Transition Marks during the Term solely (i) as Used in the VSI Business, and/or (ii) for purposes of transitioning SpinCo to a separate business, independent of VSI, including transitioning promotional and marketing activities, stationery, business cards, or other general office, marketing, or similar items, provided that any such Use permitted by this Section 3.1(a) shall be in strict accordance with the VSI trademark and branding policies applicable to such SpinCo Transition Marks immediately prior to the Effective Date.
- (b) SpinCo and its Affiliates hereby grant to VSI and its Affiliates a non-exclusive, worldwide, non-transferable, sublicensable (as provided herein), royalty-free, and fully paid-up license to Use the SpinCo Other Marks during the Term solely for purposes of transitioning any of VSI's products, services or other lines of business away from SpinCo, including transitioning promotional and marketing activities, stationery, business cards, or other general office, marketing, or similar items, provided that any such Use permitted by this Section 3.1(b) shall be in strict accordance with the VSI trademark and branding policies applicable to such SpinCo Other Marks immediately prior to the Effective Date.
- (c) VSI and its Affiliates may grant sublicenses on customary terms of the rights granted under this Section 3.1, subject to the limitations of the rights granted under this Section 3.1, to their customers, distributors, resellers and/or end-users in connection with any products or services provided by VSI or its Affiliates solely for the purpose of permitting such customers, distributors, resellers and/or end-users to resell, distribute or use such products or services in the ordinary course of business.



(d) For the avoidance of doubt, the foregoing license grants shall be in addition to any licenses that may be granted under the other Ancillary Agreements or a separate commercial arrangement that may be entered into by the Parties.

#### 4. RESTRICTIONS; OWNERSHIP AND VALIDITY OF MARKS

4.1 Restrictions on SpinCo. SpinCo and its Affiliates shall not directly or indirectly: (a) use the VSI Other Marks or the VSI Transition Marks in any manner not specifically permitted under this Agreement without prior written approval by VSI; (b) use or register in any jurisdiction any Trademarks confusingly similar to, or consisting in whole or in part of, any VSI Other Marks or VSI Transition Marks; (c) register the VSI Other Marks or the VSI Transition Marks in any jurisdiction, without in each case the express prior written consent of VSI; and (d) do or cause to be done any act that disparages, disputes, attacks, challenges, impairs, dilutes, or in any way tends to harm the reputation or goodwill associated with VSI or its Affiliates or any of the VSI Other Marks or the VSI Transition Marks.

4.2 Restrictions on VSI. VSI and its Affiliates shall not directly or indirectly: (a) use the SpinCo Other Marks or the SpinCo Transition Marks in any manner not specifically permitted under this Agreement without prior written approval by SpinCo; (b) use or register in any jurisdiction any Trademarks confusingly similar to, or consisting in whole or in part of, any SpinCo Other Marks or SpinCo Transition Marks; (c) register the SpinCo Other Marks or the SpinCo Transition Marks in any jurisdiction, without in each case the express prior written consent of SpinCo; and (d) do or cause to be done any act that disparages, disputes, attacks, challenges, impairs, dilutes, or in any way tends to harm the reputation or goodwill associated with SpinCo or its Affiliates or any of the SpinCo Other Marks or the SpinCo Transition Marks.

4.3 Ownership and Validity of Marks. SpinCo acknowledges the validity, and VSI's ownership, of the VSI Other Marks and the VSI Transition Marks and agrees that any and all goodwill, rights or interests that might be acquired by the use of the VSI Other Marks and the VSI Transition Marks by SpinCo shall inure to the sole benefit of VSI. VSI acknowledges the validity, and SpinCo's ownership, of the SpinCo Other Marks and SpinCo Transition Marks and agrees that any and all goodwill, rights or interests that might be acquired by the use of the SpinCo Other Marks and the SpinCo Transition Marks by VSI shall inure to the sole benefit of SpinCo.

#### 5. TERM AND TERMINATION

5.1 Term. Unless earlier terminated by either Party in accordance with this Section 5, this Agreement and all rights and licenses granted hereunder shall commence on the Effective Date and shall continue for twelve (12) months (the "**Term**").

5.2 Termination Rights.

- (a) Termination by Mutual Agreement. At any time, for any reason whatsoever, this Agreement may be terminated effective immediately upon the Parties' mutual agreement.
- (b) Termination by Either Party. Either Party may terminate this Agreement by notice in writing to the other Party:
  - (i) if such other Party is in breach of any of its material obligations hereunder (including any breach by SpinCo of any requirements of VSI's trademark and branding policies and practices in effect as of the Effective Date, and fails to remedy such breach within thirty (30) days after receipt of a written notice giving particulars of the breach and requiring it to be remedied; or
  - (ii) in the event that such other Party files a voluntary petition under the United States Bankruptcy Code or the insolvency laws of any state or any other jurisdiction; or has an involuntary petition filed against it under the United States Bankruptcy Code, is the subject of a similar filing under the bankruptcy or insolvency laws of any other jurisdiction, or a receiver is appointed for its business, unless such petition or appointment of a receiver is dismissed within sixty (60) days.

5.3 Effect of Termination or Expiration. Upon termination or expiration of this Agreement, all rights and licenses granted herein by VSI (and its Affiliates) to SpinCo will immediately terminate and SpinCo (and its Affiliates) shall cease all uses of the VSI Transition Marks and the VSI Other Marks to the extent such uses are within the control of SpinCo or its Affiliates. Upon termination or expiration of this Agreement, all rights and licenses granted herein by SpinCo (and its Affiliates) to VSI (or its Affiliates) will immediately terminate and VSI (and its Affiliates) shall cease all uses of the SpinCo Transition Marks and the SpinCo Other Marks to the extent such uses are within the control of VSI or its Affiliates.

**6. INDEMNIFICATION; ASSUMPTION OF RISK**

6.1 Indemnification by SpinCo. SpinCo shall fully indemnify and hold harmless VSI and its Affiliates and their respective directors, officers, employees and agents (the "VSI Indemnified Parties") from and against any and all losses, damages, liabilities, costs (including reasonable attorneys' fees) and expenses (collectively, "Damages") incurred by any such VSI Indemnified Party based on (i) any third party claim (a) arising out of or relating to SpinCo's breach of this Agreement, or (b) alleging that any VSI Indemnified Party is responsible for any action by any SpinCo Indemnified Party (as defined in Section 6.2) by reason of such SpinCo Indemnified Party's use of the VSI Other Marks or the VSI Transition Marks, solely to the extent such claim arises out of such use, and/or (ii) any Use by SpinCo, or SpinCo's Affiliates, of the VSI Transition Marks or the VSI Other Marks in violation of this Agreement.

6.2 Indemnification by VSI. VSI shall fully indemnify and hold harmless SpinCo and its Affiliates and their respective directors, officers, employees and agents (the "SpinCo Indemnified Parties") from and against any and all Damages incurred by any such VSI Indemnified Party based on (i) any third party claim (a) arising out of or relating to VSI's breach of this Agreement, or (b) alleging that any SpinCo Indemnified Party is responsible for any action by any VSI Indemnified Party by reason of such VSI Indemnified Party's use of the SpinCo Other Marks or the SpinCo Transition Marks, solely to the extent such claim arises out of such use, and/or (ii) any Use by VSI, or VSI's Affiliates, of the SpinCo Transition Marks or the SpinCo Other Marks in violation of this Agreement.

6.3 Indemnity Procedures. Any indemnified Party submitting an indemnity claim under Section 6.1 or 6.2, as applicable ("Indemnified Party"), shall: (a) promptly notify the indemnifying Party under Section 6.1 or 6.2, as applicable ("Indemnifying Party"), of such claim in writing and furnish the Indemnifying Party with a copy of each communication, notice or other action relating to the event for which indemnity is sought; provided that no failure to provide such notice pursuant to this Section shall relieve the Indemnifying Party of its indemnification obligations, except to the extent such failure materially prejudices the Indemnifying Party's ability to defend or settle the claim; (b) give the Indemnifying Party the authority, information and assistance necessary to defend or settle such suit or proceeding in such a manner as the Indemnifying Party shall determine; and (c) give the Indemnifying Party sole control of the defense (including the right to select counsel, at the Indemnifying Party's expense) and the sole right to compromise and settle such suit or proceeding; provided that, the Indemnifying Party shall not, without the written consent of the Indemnified Party, compromise or settle any suit or proceeding unless such compromise or settlement (i) is solely for monetary damages (for which the Indemnifying Party shall be responsible), (ii) does not impose injunctive or other equitable relief against the Indemnified Party, (iii) includes an unconditional release of the Indemnified Party from all liability on claims that are the subject matter of such proceeding, and (iv) does not require the Indemnified Party to perform or refrain from performing any action. Notwithstanding anything in this Section 6.3, with respect to any claim covered by Section 6.1 or 6.2, as applicable, the Indemnified Party (in its capacity as such) may participate in the defense at its own expense.

6.4 Consequential Damages. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF THE OTHER PARTY IN CONNECTION WITH THIS AGREEMENT, EXCEPT IN CONNECTION WITH A BREACH OF SECTION 4, IT BEING UNDERSTOOD THAT A PARTY'S BREACH OF ITS INDEMNITY OBLIGATIONS HEREUNDER SHALL BE DIRECT DAMAGES REGARDLESS OF WHETHER THE DAMAGES CLAIM FOR WHICH INDEMNITY IS SOUGHT IS CHARACTERIZED AS SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL.

## 7. MISCELLANEOUS

7.1 Reservation. All rights not expressly granted by a Party hereunder are reserved by such Party. Nothing contained herein shall be construed or interpreted as a grant, by implication or otherwise, of any licenses other than the licenses expressly set forth in Sections 2 and 3.

7.2 Section 365(n). (a) All rights and licenses granted under or pursuant to this Agreement are, and will otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to “intellectual property” as defined under Section 101(35A) of the U.S. Bankruptcy Code and all intellectual property, proprietary information, and other materials licensed under this Agreement are, and shall be deemed to be, “embodiment(s)” of “intellectual property” for purposes of same; (b) the parties will retain and may fully exercise all of their respective rights and elections under the U.S. Bankruptcy Code; (c) the parties agree that each party, as a licensee of such rights under this Agreement, will retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code, and that upon commencement of a bankruptcy proceeding by or against the other party as licensor under the U.S. Bankruptcy Code, each party as a licensee will be entitled to a complete duplicate of or complete access to (as the licensee-party deems appropriate), any such intellectual property and all embodiments of such intellectual property; and (d) such intellectual property and all embodiments thereof will be promptly delivered to the licensee-party (i) upon any such commencement of a bankruptcy proceeding upon written request therefor by the licensee-party, unless the licensor-party elects to continue to perform all of its obligations under this Agreement or (ii) if not delivered under (i) above, upon the rejection of this Agreement by or on behalf of the licensor-party upon written request therefor by the licensee party. The foregoing is without prejudice to any rights a licensee-party may have arising under the U.S. Bankruptcy Code or other applicable Law. In the event either Party, or any of their respective Affiliates, is the subject of proceedings under the bankruptcy or insolvency laws of any jurisdiction other than the United States, all of the rights and licenses granted under or pursuant to this Agreement shall be characterized, to the greatest extent possible under the laws of such jurisdiction, as necessary to preserve the benefits, rights, and licenses granted to the licensee-party as set forth in this Agreement.

7.3 Counterparts; Entire Agreement; Corporate Power

- (a) This Agreement may be executed in one or more counterparts (including by facsimile, PDF or other electronic transmission), all of which will be considered one and the same agreement.
- (b) This Agreement, including the annexes hereto, contain the entire agreement between the Parties with respect to the subject matter hereof, and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter.
- (c) Each Party represents and warrants to the other Party as follows:
  - (i) it has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated hereby; and

(ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof.

7.4 Governing Law. This Agreement will be governed by and construed and interpreted in accordance with the Laws of the State of Delaware without regard to rules of conflicts of laws.

7.5 Binding Effect; Assignability. This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that no Party may assign any of its rights or assign or delegate any of its obligations under this Agreement without the express prior written consent of the other Party.

7.6 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties and their respective Subsidiaries, Affiliates, successors and assigns and will not be deemed to confer upon any other Person any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement. The Parties agree that each SpinCo Indemnified Party and VSI Indemnified Party who is not a party to this Agreement is an intended third party beneficiary of the indemnification provisions of this Agreement.

7.7 Notices. All notices, requests and other communications to any Party hereunder will be in writing and will be deemed given if delivered personally, emailed (which is confirmed) or sent by overnight courier (providing proof of delivery) to the Parties at the following addresses:

If to VSI, to:

Verint Systems Inc.  
175 Broadhollow Road  
Melville, New York 11747  
Attention: Chief Administrative Officer  
Email: peter.fante@verint.com

If to SpinCo to:

Cognyte Software Ltd.  
33 Maskit  
Herzliya Pituach 4673333  
Israel  
Attention: Ziv Levi, Chief Legal Officer  
Email: ziv.levi@cognyte.com

A Party may, by notice to the other Party, change the address to which such notices are to be given. All such notices, requests and other communications will be deemed received on the date of actual receipt by the recipient thereof if received prior to 5:00 p.m. local time in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication will be deemed not to have been received until the next succeeding business day in the place of receipt.

7.8 Severability. If any provision of this 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 the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid, void or unenforceable, will remain in full force and effect and will in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties will negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect, as closely as possible, the original intent of the Parties.

7.9 Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

7.10 Waivers of Default; Remedies Cumulative. Waiver by a Party of any default by another Party of any provision of this Agreement will not be deemed a waiver by the waiving Party of any subsequent or other default, nor will it prejudice the rights of another Party. No failure or delay by a Party in exercising any right, power or privilege under this Agreement will operate as a waiver thereof, nor will a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

7.11 Amendments. No provisions of this Agreement may be waived, amended, supplemented or modified, 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.

7.12 Interpretation. In this Agreement (a) words in the singular will be deemed to include the plural and vice versa and words of one gender will be deemed to include the other genders as the context requires; (b) the terms “hereof,” “herein,” and “herewith” and words of similar import will, unless otherwise stated, be construed to refer to this Agreement as a whole (including all of the Annexes hereto) and not to any particular provision of this Agreement; (c) Annex, Article, Section, Schedule and Exhibit references are to the Annexes, Articles, Sections, Schedules and Exhibits to this Agreement unless otherwise specified; (d) unless otherwise stated, all references to any agreement (including this Agreement) will be deemed to include the exhibits, schedules and annexes to such agreement; (e) references to “\$” will mean U.S. dollars; (f) the word “including” and words of similar import when used in this Agreement will mean “including, without limitation,” unless otherwise specified; (g) the word “or” will not be exclusive; (h) unless otherwise specified in a particular case, the word “days” refers to calendar days;

(i) references to “written” or “in writing” include in electronic form; (j) references to “business day” will mean any day other than a Saturday, a Sunday or a day on which banking institutions are generally authorized or required by law to close in the United States or Israel, as the context requires; (k) references herein to this Agreement or any other agreement contemplated herein will be deemed to refer to this Agreement or such other agreement as of the date on which it is executed and as it may be amended, modified or supplemented thereafter, unless otherwise specified; and (l) unless expressly stated to the contrary in this Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import will all be references to the date set forth in the Preamble.

7.13 Mutual Drafting. This Agreement will be deemed to be the joint work product of the Parties, and any rule of construction that a document will be interpreted or construed against a drafter of such document will not be applicable.

*[Signatures on Following Page]*

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The Parties hereby execute this Agreement as of the Effective Date.

Verint Systems Inc.

By: /s/ Douglas E. Robinson  
Name: Douglas E. Robinson  
Title: Chief Financial Officer

Cognyte Software Ltd.

By: /s/ David Abadi  
Name: David Abadi  
Title: Chief Financial Officer



## Cognyte to Ring the Nasdaq Stock Market Opening Bell

*Bell-Ringing Ceremony in Celebration of Becoming an Independent Public Company*

HERZLIYA, ISRAEL - FEBRUARY 1, 2021 - Cognyte (NASDAQ: CGNT), a global leader in security analytics software that empowers governments and enterprises with Actionable Intelligence for a Safer World™, announced today that it will open trading on the Nasdaq Stock Market by ringing the opening bell tomorrow morning in celebration of becoming an independent public company following the completion of its spin-off off from Verint Systems today. Cognyte will begin “regular way” trading on the NASDAQ on February 2, 2021 under the symbol “CGNT”.

“Becoming an independent public company marks the beginning of a new chapter for Cognyte. We have a proven track record for more than two decades of helping our customers in more than 100 countries solve complex security challenges with cutting-edge analytics. We are passionate about security analytics and equipping our customers with innovative analytics solutions. I am incredibly proud of our talented team of more than 2,000 people around the world who embody our mission to help security organizations make the world a safer place,” said Elad Sharon, CEO of Cognyte.

“Cognyte’s customers need the best possible analytics and open solutions that can be frequently and easily refreshed to keep pace with growing security challenges and evolving technological complexities. The company’s ability to address the current and future needs of its customers, combined with its unparalleled technology and domain expertise, and its open platform approach, uniquely position Cognyte for continued growth and market leadership,” continued Sharon.

“Our powerful technology, industry-leading security analytics software and strong relationships with our customers are what make our company so special and unique. The time is right to form an independent public company and I am very excited to start this new chapter in our story as Cognyte,” concluded Sharon.

The market opening ceremony will occur tomorrow, February 2, 2021 at 9:30 a.m. EST and can be viewed live at <https://www.nasdaq.com/marketsite/bell-ringing-ceremony>. For multimedia features such as exclusive content, photo postings, status updates, and videos of ceremonies, please visit <http://www.facebook.com/Nasdaq>. For news tweets, please visit [@nasdaq](https://twitter.com/nasdaq).

For more information about Cognyte, please visit [www.cognyte.com](http://www.cognyte.com).

**About Cognyte Software**

Cognyte (formerly a Verint company) is a global leader in security analytics software that empowers governments and enterprises with Actionable Intelligence for a Safer World™. Our open software fuses, analyzes, and visualizes disparate data sets at scale to help security organizations find the needles in the haystacks. Over 1,000 government and enterprise customers in more than 100 countries rely on Cognyte’s solutions to accelerate security investigations and connect the dots to successfully identify, neutralize, and prevent threats to national security, business continuity, and cyber security. Learn more about how we empower our customers to create a safer world with Actionable Intelligence® at [www.cognyte.com](http://www.cognyte.com).

This press release contains “forward-looking statements,” including statements regarding expectations, predictions, views, opportunities, plans, strategies, beliefs, and statements of similar effect relating to Cognyte Software Ltd. These forward-looking statements are not guarantees of future performance and they are based on management’s expectations that involve a number of risks, uncertainties and assumptions, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. For a detailed discussion of these risk factors, see our registration statement on Form 20-F, and other filings we make with the SEC. The forward-looking statements contained in this press release are made as of the date of this press release and, except as required by law, Cognyte assumes no obligation to update or revise them or to provide reasons why actual results may differ.

COGNYTE, ACTIONABLE INTELLIGENCE, and ACTIONABLE INTELLIGENCE FOR A SAFER WORLD are trademarks of Cognyte Software Ltd. or its subsidiaries. Cognyte and other parties may also have trademark rights in other terms used herein.

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